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NEWS SUMMARY

GENERAL

Nigeria officers purge regime

Nigeria's new ruler, Brigadier Murtala Mohammed, announced the compulsory retirement of all the country's top military officers, state governors and police chiefs in what appeared to be a clean purge of the old administration.

Broadcasting on Lagos radio and tlevision, Brigadier Mohammed said the deposed leader, General Yakubu Gowon, would be retired in his rank "in recognition of his past services" and would be free to return. But he accused him of lack of consultation and indecision.

In Kampala, General Gowon calmly acknowledged his overthrow with a quotation from Shakespeare. Five other African leaders suddenly left the OAU summit for home.
Back and Page 5

Big two hold arms talks

President Ford and Mr. Brezhnev are understood to have made some progress on the strategic arms limitation issue when they met for two hours during the first day of the 35-nation European security conference at Helsinki. They also discussed the Middle East. Mr. Harold Wilson impressed Western delegates with his tough insistence on the need to respect human rights. Back Page, Page 6

China attacks Soviet 'aims'

China launched a series of bitter attacks on the Soviet Union, accusing her of seeking "to swallow South East Asia at one go." China also revealed that she has built entire underground cities for use in nuclear war. Page 5

The big heat

Another very warm day is forecast to-day, in the wake of yesterday's highest London temperature for two years—30C (86F). England's hottest place was Benson, Oxfordshire, with 31C (88F).

Lisbon warning

Portuguese security chief General Otelo de Carvalho gave a warning of "severe repression" as the army's political command met to legalise the new three-man military directorate of which Carvalho is a member. Page 6

Spanish arrests

A Spanish army major and six captains, thought to be supporters of Prince Juan Carlos, were arrested at the headquarters of the first military region in Madrid. Page 6

Labour revolt

Rejecting an appeal by Employment Secretary Mr. Michael Foot, 91 Labour MPs voted against the Government in an unsuccessful attempt to insert greater picketing rights into the Employment Protection Bill. Page 12....

Detainees out

Three prisoners were freed from Ulster's Maze prison, leaving 241 men, all Republicans, still detained. Six guns and some ammunition were stolen from a power station near Londonderry. In Belfast a 21-year-old man was shot in both legs.

Briefly . . .

Canadian student Cynthia Nicholas, 17, set a new women's record for swimming from France to Dover—nine hours, 46 minutes.

Construction company Marples Ridgeway agred to pay £89,000 damages and costs to Mr. Thomas Donohue, 25, who received spinal injuries while working on a motorway site six years ago.

BUSINESS

Equities down 3.3: Wall St. up 6.8

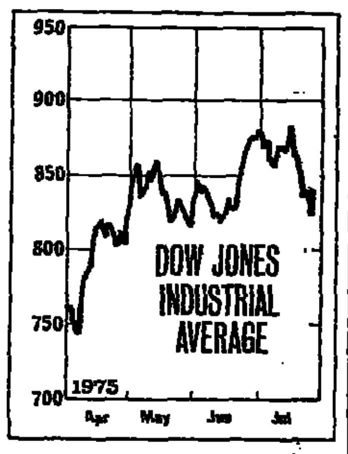
● EQUITIES were quietly dull and sensitive to rumour. Other depressants were further rights issues and the bearish views of some chartists. The FT 30-Share Index closed 3.3 down at 288.5 after losing 5.1 at 2 p.m.

● GILTS encountered nervous selling, mainly on sterling fears. Losses ranged to ½. The Government Securities Index lost 0.41 to 60.42.

● STERLING fell 120 points to $2.1635; its weighted depreciation widened to 25.8 (25.6) per cent. Dollar's fall narrowed to 3.07 (3.16) per cent.—its best since February 1974.

● GOLD lost 50 cents in quiet trading, closing at $167.

● WALL STREET rose 6.8 points to close at 831.66. The increase seemed to spring from



"internal dynamics," after several analysts had considered the market "oversold."

● NEW YORK CITY Mayor Mr Abraham Beame deferred without explanation his deadline for reaching agreement with the unions on the city's economy measures.

Gas prices go up 20 per cent.

● GAS PRICES are to go up by an average of 20 per cent. from October. The Gas Corporation lost £42.3m. in the last financial year, but the increases should mean a return to profit this year. Back and Page 8

● TRADE UNION leaders in the steel industry have reluctantly endorsed BSC plans to cut labour costs by selective dismissals and earnings cuts. Back Page. In another economy move, BSC is to buy its direct supplies of scrap from fewer dealers. Page 8

● BANK OF ITALY Governor Dr. Guido Carli, has resigned despite efforts to persuade him to stay.
Page 5

● COMPANIES which lose money through strikes caused by adherence to the £6 pay pact should get Government compensation, says Beecham chairman Mr. Graham Wilkins.
Page 8. Meeting report Page 18

● ASMS full-time divisional officers threaten to strike from Friday over the sacking of a trainee.

COMPANIES

● BTR proposes to raise about £5.7m. by way of a one-for-five rights issue at 90p a share.
Page 16

● DE LA RUE first quarter profits fell from £2.5m. to £0.77m., reflecting the continued downturn for plastics products and industrial action in security printing and other areas.
Page 16

● BATH AND PORTLAND Group reports "better than expected" first half pre-tax profits of £814,814, against £802,433, before redundancy payments of £33,572 (nil).
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CHIEF PRICE CHANGES

(Prices in pence unless otherwise indicated)

RISES:		
BTR	122	+ 5
Dawson & Barfos	37	+ 4
Macarthys Pharms.	52	+ 5
Minorco	272	+ 6
Pencontinental	315	+ 30
Paterson Zochonis	340	+ 40
Peko-Wallsend	275	+ 15
Vulcan Minerals	25	+ 7
Zinc Alloy Rustproofg.	9½	+ 2½
FALLS:		
Treasury 8½% 1987-90	£71¾	− ¼
Treasury 7¾% 2012-15	£56	− ¼
Airflow Streamlines	23	− 10
Babcock & Wilcox	93	− 4
Barclays Bank	245	− 5
Beecham	270	− 7
Costain (R.)	179	− 8
Davy Int'l	82	− 6
De La Rue	142	− 16
EMI	166	− 5
Fitzwilton	30	− 4
Furness Withy	225	− 11
Glaxo	340	− 8
Hawker Siddeley	252	− 4
H.K. & Shanghai Bkg.	197	− 12
Johnson Matthey	232	− 18
MEPC	73	− 4
Martonair	135	− 8
Metal Box "New"	1*	− 5
Morgan Edwards	40	− 6
Normand Elect. Hldgs.	34	− 4
Pilkington	197	− 9
Powell Duffryn	92	− 6
Rivlin (I.D. & S.)	18½	− 3½
Trafalgar House	79	− 5
BP	478	− 5
Shell Transport	289	− 4
Grootvlei	263	− 15
Pot. Plat.	238	− 5
Union Corp.	310	− 10
Vaal Reefs	£29	− ¾

* Premium.

Government rejects criticism of Benn over Court Line

BY ARTHUR SANDLES

The crucial finding of two separate reports on the Court Line collapse of last summer—that Mr. Anthony Wedgwood Benn went too far in re-assuring holidaymaking customers of the company only weeks before the group sank—has been rejected by the Government.

Some 100,000 holiday-makers have yet to have their money refunded and the Parliamentary Commissioner, Sir Alan Marre, and three Department of Trade inspectors, say that Mr. Wedgwood Benn's assurances were unhelpful.

But, to the fury of Tory MPs, Mr. Wedgwood Benn himself sat silent while Mr. Peter Shore, the Trade Secretary, told the Commons that the statements made "were right in the difficult circumstances at the time."

Mr. Shore said: "Of course we do not brush aside the conclusions of the two reports. But we have come to the conclusion in the face of obvious difficulties that we disagree with the finely balanced judgment reported by these two inquiries."

The Ombudsman's report says that the statements made by Mr. Wedgwood Benn on June 26 and July 1, 1974, went too far. "I have not been persuaded," says Sir Alan, "to modify my own view that insufficient regard was paid in the statements to the principle that undue confidence should not be created or maintained."

He goes on to say that the Government cannot be absolved of all responsibility for holiday-makers' losses arising from the Court Line collapse. He makes mention of the Air Travel Reserve Fund which has been set up with an offer of a £15m. interest free loan from Government and which will be used if necessary to recompense Court Line victims.

"When the Bill was being debated in Parliament, Government spokesmen made it clear that, if I were to allocate some measure of responsibility to the Government and if the Government decided that public funds should be drawn for the benefit

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of customers of Court Line affected by my report, there was nothing in the Bill to prevent that."

But Mr. Shore told the Commons that this was not a case in which any legal liability arises. "The Government's statements were not phrased or intended to give a formal guarantee and did not do so." He went on to say that the Government had decided "that no further payment out of public funds would be justified."

He said that there were important wider issues of public policy involved. The Government felt there should be a debate. When prodded about the silence of Mr. Wedgwood Benn, Mr. Shore said that the former Industry Secretary was "looking forward to an opportunity to speak for himself."

The Ombudsman's assessment of Mr. Wedgwood Benn's role received support from the report of the three Department of Trade inspectors into the effect of his Commons statements. They say: "We feel constrained to regard each of the statements in question as assuring Court Line 1974 summer holidaymakers on behalf of the Government that they would have their holidays.

"The words used and the context seem to us capable of no other meaning to ordinary listeners and readers."

The report refers to various statements made by the Government during the run up to the final collapse of the company. "We are of the opinion that individually and collectively all the references to holidays and holiday-makers are to be criticised for going too far by way of assurance to holiday-makers without sounding any note of caution or reserve.

"The responsibility rests, we consider, not only with Mr. Wedgwood Benn, but also with the Government, because the prepared statements followed from collective discussions and decisions by Ministers and were in line with conclusions reached by them, while the other statements, though solely Mr. Wedgwood Benn's authorship, were in our view in the same vein and to the same effect."

It goes on to point out that
Continued on Back Page

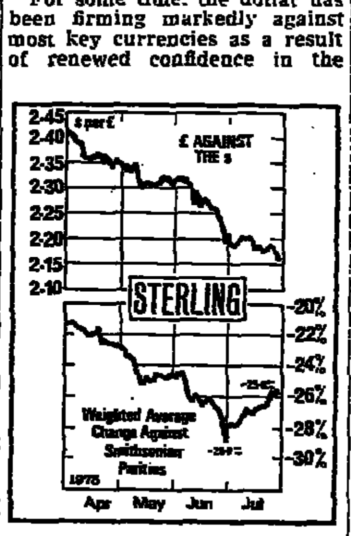
Pound falls to new low against $

By William Keegan, Economics Correspondent

THE STERLING dollar rate yesterday closed at an all-time low of $2.1630-40 against $2.1755 on Tuesday.

This fall has occurred despite the U.K. authorities' attempt to arrest the slide in the dollar-sterling rate by raising interest rates last Friday.

For some time, the dollar has been firming markedly against most key currencies as a result of renewed confidence in the



U.S. economic situation, reinforced this week by good U.S. trade figures.

Shielded

The pound was being shielded from this process by the normal July build-up in demand for sterling for royalty payments to oil-producing countries. This influence has now come to an end.

Sterling also fell a little on a weighted basis yesterday—from 25.6 per cent. to 25.8 per cent. below the 1971 parity.

This is still far less than the depreciation reached before the incomes policy measures were unveiled earlier this month, the basic point being that since then the pound has strengthened against some other key currencies, although the dollar is certainly not among these.

It must be stressed that this is only the lowest *closing* dollar-sterling rate. At one stage in January 1974 the pound fell below $2.16.

£ in New York

—	July 30	Previous
Spot	$2.1620-1630	$2.1760-1770
1 month	0.85-0.78 dis	0.66-0.61 dis
3 months	2.12-2.07 dis	1.89-1.94 dis
12 months	7.85-7.75 dis	7.70-7.50 dis

U.K. wealth still highly concentrated

BY MICHAEL BLANDEN

TAXES on incomes have had little effect in reducing the inequalities of earnings in this country, and wealth is highly concentrated despite a fall in the share owned by the richest people.

This is shown in the first report produced by the Royal Commission on the Distribution of Income and Wealth, an important study published yesterday.

In a second report, the Commission also implies that dividend restraints could lead to the supply of investment funds drying up, if shares are not able to produce a competitive return.

The first report shows that there has not been any very pronounced change in the distribution of income over a 15-year period from 1959 to 1972-73.

One of the significant conclusions for official policy is that while income tax has some effect in equalising income levels, it is almost completely offset by the counter-effect of indirect taxation. Taxes levied on goods and services hit the lower-paid harder, and balance the benefit they gain from lower income taxes.

The report draws particular attention to the impact on both income and wealth of State pensions and other benefits. Taking the "social wage" into account—including State education and the Health Service—has a major effect in redistributing income from the better paid to the lower paid.

At the same time, it is shown that State pensions are worth a considerable amount to the individual, and make a big difference to relative levels of wealth.

The report, on a highly sensitive political issue, has been produced by the Commission in less than a year since it was set up, at the request of the Government.

Lord Diamond, chairman of the Commission, said yesterday he was satisfied that the figures it shows were sufficiently authoritative to command respect.

The report is accompanied by a second, covering the income from companies and its distribution. This deals with dividend income and unlike the purely fact-finding report on income and wealth, has allowed the Commission to give its own comments on some aspects of the subject.

The Commission accepts the arguments that equity capital plays an essential role for private sector companies, as a basis

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to raise other forms of finance and to weather fluctuations in profits.

The bulk of equity is raised through retained profits, it is pointed out, but the Commission still sees an important role for outside capital.

It goes on to accept that dividends are one of the important determining factors of share prices. The report suggests that constraints such as dividend limits which distort the relative dividend levels of different companies can hamper the process of allocating capital.

"In the longer term the returns to equity holding much be competitive with the returns which investors can obtain on alternative investments. If they are not, it is unlikely that the past level of savings for equity investment will be maintained."

Personal weath, the first report shows, is much more heavily concentrated than incomes. Relying
Continued on Back Page

FEATURES

ON OTHER PAGES

For latest Share Index 'phone 01-246 8026

P.O. may cut orders for phones by up to 25%

BY KENNETH GOODING AND CHRISTOPHER LORENZ

THE POST OFFICE proposes to cut back its orders for telephone equipment by between 15 and 25 per cent. in volume during the current financial year, according to sources in the telecommunications industry.

The full cut could force suppliers to reduce workforces by a total of at least 12,000 and possibly 18,000.

The Post Office does not deny that there will have to be severe cuts in the forecast budgets for telecommunications equipment but will not be drawn into giving details. The tight financial situation at the Post Office was also highlighted yesterday in the Corporation's annual report which showed a loss of £306.7m. in 1974-75.

What is known is that expenditure on telecommunications equipment this financial year will will be around £900m.—out of total P.O. capital expenditure of around £1bn.—compared with £788m. in the 12 months to March.

The proposed increase in expenditure for 1975-76 clearly does not match the pace of inflation, and the P.O. admits that some equipment manufacturers will have to face a cut in real terms not just a reduction in the forecast increase.

Inevitable

A reduction in the P.O. investment programme has been made inevitable by the impact of soaring telecommunications charges as the P.O. has tackled the problems of inflation, getting its prices up to commercial levels and covering the cost of a "catching-up" pay rise all at once.

The P.O. now expects to instal in the current year 1m. new telephones rather than the 1.5m. it forecast two years ago.

At the same time the traffic growth for 1975-76 is estimated at 1 per cent., compared with a 4 per cent. target set in January. This has as much to do with the state of the economy and the lack of commercial traffic as with the impact of price increases.

The P.O. takes the view that the fall in the growth of its telecommunications business is only temporary, and that the targets up to 1982 will be achieved.

In the next two or three years, however, there will be significant reductions in forecast telecommunications investment coupled with important changes in demand for particular equipment.

The three main suppliers, GEC, Plessey and Standard Telephones and Cables, are already reducing their labour forces, exceeding 80,000 in all, mainly by natural wastage, as part of the industry's gradual shift from electro-mechanical to electronic telephone exchange manufacture.

GEC and Plessey are thought to be particularly sensitive about the "mix" of the proposed cuts in exchange orders, since their main products, Strowger and crossbar equipment, will bear the brunt.

The PO wants to maintain the build-up programme for TXE-4, the new generation of electronic exchanges which STC developed, and is already making in quantity, but which GEC and Plessey are only just beginning to manufacture.

The manufacturers are urging the P.O. to phase the cuts over four or five years to reduce the impact on employees and to lessen the danger of having to close down capacity and possibly be unable to meet demand when it recovers.

Cable talks

The P.O. is also engaged in some hard talking with another group of suppliers, those providing telephone cables.

Discussions have been going on since March, when it was disclosed that the four major suppliers—British Insulated Callender's Cables, Standard Telephone and Cables, and companies in the Pirelli and GEC groups — had inter-company agreements over the supply of cables to the P.O.

The Director of Fair Trading has asked the Restrictive Practices Court to rule whether these arrangements act against the public interest.

The P.O. has completed its own internal investigation and decided there is no evidence of corruption but that some procedures need tightening.

Although assured by the cable companies that the prices charged have been fair, the P.O. is insisting that they open their books for inspection. The companies have so far refused to do so.

In the meantime, the P.O. has stopped ordering cable. How much impact this has had on the companies is difficult to say because the P.O. orders usually came in bunches.

£306m. deficit by Post Office, Page 8

Clay Cross row next week

BY PHILIP RAWSTORNE

THE GOVERNMENT faces another major political row in the Commons next week over the Clay Cross affair.

By a majority vote, the Parliamentary Labour Party last night instructed Ministers to reject all the Lords amendments to the legislation lifting the threat of disqualification and surcharge from some 400 Labour councillors throughout the country who defied the Tory Housing Finance Act.

By 77 votes to 56, Labour MPs also insisted that Mr. Anthony Crosland, Secretary for the Environment should restore a "symbolic" clause, deleted by the Lords, to remove the disqualification from the Clay Cross rent rebels.

Mr. Crosland had argued that such a move would be "academic" because the Clay Cross councillors had since been disqualified for a further five years on other grounds.

As the voting indicated, there were many Labour MPs who were clearly embarrassed by the prospect of another Commons furore on the issue.

Mr. Richard Crawshaw (Toxteth) and Mr. George Strauss (Vauxhall) both argued at last night's meeting that those who had broken the law should face the consequences. But with a three-line whip operating in the Commons votes next week, there is unlikely to be any substantial revolt on the Labour benches.

Mrs. Lena Jeger (Holborn and St. Pancras S) who moved the resolution calling on the Government to reject the Lords amendments, questioned the Lords right to interven in "semi-financial" legislation.

Non-elected

The Government should stand by the decision of the Labour conference and should not accept the views of a non-elected body, she said.

Mr. Crosland, who had indicated that the Government would accept the PLP decision, said that he was in favour of rejecting most of the changes in the Bill made by the Lords.

Some of them, in seeking to "drag into the courts" some 400 Labour councillors would decimate some of the best local authorities in the country. And he argued that local authorities affected should themselves determine whether the lost revenue should be recovered through increases in rents or rates.

But he said that to restore the clause lifting the Clay Cross disqualification would be an academic move that would make no practical difference.

Mr. Tom Swain (Derbyshire NE) said that if the amendments were not rejected by the Commons, the Clay Cross councillors would be "thrown to the wolves."

Supported by Mr. Dennis Skinner (Bolsover) and Mr. Michael English (Notts. W.), he declared that the restoration of the Clay Cross clause was no academic matter. "It is symbolic," he said.

LOMBARD

World recovery—the big doubts

BY C. GORDON TETHER

A NOTE of what can most appropriately be labelled "restrained euphoria" seems to be creeping into mainstream thinking about the world economic outlook, the fashionable argument being that we have now reached, or are at least approaching, the point at which the recession will give place to a decisive—if somewhat slow-motion—recovery. But not all the pundits take this view. And the big question of the hour is whether the widespread anxiety to play up the more favourable factors in the scenario is not resulting in a tendency to give too little weight to considerations that give cause for continuing concern.

The new upsurge in optimism seems to be rooted mainly in two developments. One is the evidence that the severe downturn in economic activity in countries of such key importance as the U.S. and Japan is coming to an end. The other is the marked turn for the better in the external payments of the industrialised countries as a whole, the current account deficit of the OECD group having been brought down this year to an annual rate of some $15bn. from 1974's $35bn.

And the suggestion here, of course, is that they should all now see themselves better placed to start moving away from the retrenchment policies that have been the general rule during the past year.

Very tentative

Needless to say, any indications that processes capable of providing an effective antidote to the present blight have been set in motion are more than welcome. But it is important to know whether they are well-founded or not. For the effect of the onset of the new euphoria will inevitably be to produce a lessening of enthusiasm for discovering and remedying the basic causes of the deterioration in the international environment.

A first point to notice here is that, for all the Ford Administration's banging of the "it's all over bar the shouting" drum, the change in the economic climate in the U.S. is still a very tentative affair. Though no longer falling the way it was earlier in the year, industrial production is running far below the levels of a year ago. And bearing in mind the extent of the measures the White House has taken to prime the pump, this does raise the question of just how basic the seeming recovery is.

The same question looms large over the change of climate perceived in Japan, while it is a fact that in many other industrial countries the trend is still very much in the wrong direction.

There are also serious doubts as to how far it is sensible to regard the overall improvement in the external payments position of the industrial countries — striking though it is — as a development that can be relied upon to help open the door to world economic recovery. For one thing, that improvement clearly owes much to the determination of many of these countries to get rid of their oil deficits without bothering about the implications for others — meaning that it may be the forerunner of a trade war.

For another, the improvement in the overall experience of the industrial countries reflects to a significant extent a deterioration in the position of the less-developed. And the increasing gravity of their plight is clearly destined to operate as a sizeable brake on any kind of international revival.

Nor is that all. Compounding all the other influences that will be working to prolong—and even, conceivably, to intensify—the world recession in the months ahead will be the inflation factor. Although there has been some slowing down in the pace of the wages-spiral in many parts of the world of late, any recovery that sets in now will still be starting from a high inflationary plateau.

Seeing the extent to which even the most complacent governments have been shocked by their first real contact with the terrors of runaway inflation, it is only to be expected that there will be a widespread inclination to approach re-expansion with the greatest caution. The head of the U.S. Federal Reserve Board was insisting early this week that America's own re-expansion would have to be kept on a very tight rein for this reason.

Can there be much hope of a worthwhile international economic recovery getting off the ground if even the countries that everyone is counting upon to set the pace are going to be pulling their re-expansion punches in this way? He would be a bold man who would answer this question in the affirmative. So it is clearly advisable to proceed on the assumption that an enduring turn for the better is not going to materialise without a basic attack on the weaknesses in the global economic structure that have landed us in the present mess.

YACHTING

Check helps Charisma

By Alec Beilby

MEASURING AND checking the 57 yachts from 19 countries competing in the 1975 Admirals Cup series continued at Cowes yesterday.

The rating certificates issued by national authorities in each country have all been run through a British computer by the Royal Ocean Racing Club and only in the case of clearly apparent discrepancy has a yacht been re-measured completely while in Britain.

It was found that Jesse Philips American yacht Charisma when re-measured was carrying almost half a foot more on her rating for handicap than she should.

Crews are busy putting the final touches to hulls and rigging in preparation for the first race, the 220-mile Channel Race which starts from Cowes early to-morrow afternoon.

The Admiral's Cup teams will, surprisingly, start last of the six classes competing, so that apart from racing each other they will have to pick their way between 142 yachts that started ahead of them.

William Hill has opened a book on the Admiral's Cup series, with Britain and the holders, Germany, equal favourites at *3 to 1. The Australians share* second place with the U.S. at 6 to 1. The New Zealanders, at 14 to 1, seem a sporting each-way bet, for, while they have kept very much to themselves here during the past few weeks, their performances in Australia and elsewhere have been dedicated and impressive.

RACING — BY DOMINIC WIGAN

Crash Course to-day

JEREMY HINDLEY and his stable jockey, Tony Kimberley, who have both been enjoying a tremendously successful campaign, seem poised to take to-day's feature event, the Goodwood Cup, with that top-class stayer, *Crash Course*.

Crash Course, who meets seven tough and consistent stayers in this 2 miles 5 furlongs event (3.35), has improved considerably this season, with his best performances having come on his last two appearances, in the Ascot Stakes at the Royal meeting and Newcastle's Joe Coral Northumberland Plate.

After coming from a long way behind in the Ascot Stakes, *Crash Course*, ridden with great *determination and strength* by Kimberley, got up close home to defeat Lester Piggott's partner, Cumbernauld, to whom he was giving 6lbs. by half a length, with Tim Ding, to whom he was conceding almost 2 stones, a further three lengths away third of the 16 runners.

With that fine performance just behind him it was surprising to see *Crash Course* allowed to go to post at 14-1 for the Northumberland Plate at Newcastle 10 days later.

Again running his usual game race in the Northumberland Plate Hindley's four-year-old, who found the two miles on the sharp side, stayed on strongly to take 4th place, only two lengths behind the winner, Grey God, to whom he was trying to concede 20 lbs.

This afternoon's two miles and five furlongs will suit *Crash Course*, a fast ground specialist, admirably, and I shall be disappointed if he fails to gain his second course victory. *Jirandole*, a length in front of *Crash Course* at Newcastle but now 8 lbs worse off, may follow the selection home.

Half an hour after the Goodwood Cup Lester Piggott, riding *Jirandole* for the first time this season, will be aboard another high-class performer when partnering the unbeaten *Guillaume Tell* in the Gordon Stakes (4.5).

GOODWOOD
2.00—Delta Song***
2.30—Riboboy**
3.05—Jukebox Jury
3.35—Crash Course
4.05—Guillaume Tell
4.35—Petocracy*
5.05—Cloud Nine

REDCAR
2.00—Legal Play
2.35—Luela
3.10—*Whirlow Green*
3.40—Dr. Win
4.10—Corderay
4.40—Court Circus

CARLISLE
2.15—Willie Ormond
3.15—Coaster
4.15—Fairgold

Vincent O'Brien's well-made 3-year-old *Nashua* found no difficulty in following up a comfortable Leopardstown success with an equally clear-cut victory over Baldur in Ascot's Churchill Stakes on June 21, and I hope to see him make it a hat-trick by dealing with the unpredictable *Libra's Rib* and the possibly under-rated *Stamen*.

The two juvenile events on the programme, the Foxhall Stakes *(2.0) and the Lanson Champagne* Stakes half an hour later seem likely to go to *Delta Song* and *Riboboy* respectively. Capt. Ryan Price's *Delta Song*, a brown colt by Delta Judge out of the brilliantly speedy Broadway Melody, possibly represents the best bet of the day in the Foxhall Stakes.

SALEROOM — BY MICHAEL THOMPSON-NOEL

£2,100 for an immortal in ivory

AS TEMPERATURES soared yesterday, buyers at Sotheby's Belgravia settled down to a marathon, 4½-hour sale of Oriental works of art and ivories which spanned 468 lots, amassed £74,888, and produced some sprightly bidding, particularly for the ivories.

Top price, £2,100, was paid for a fine Gyokuken Dosan ivory group of Kwannon, her engraved robes and lotus-patterned scarves billowing behind her. Another Japanese carved ivory figure of the same immortal fetched £1,600.

Sotheby's sale of 18th, 19th and 20th-century paintings realised £28,051, including £1,210 for a pair of paintings by Louis Lassalle (the Cooling Gallery) and £580 for a rural scene attributed to J. B. Ladbrooke (Barber).

At Christie's, a sale of English and foreign silver amounted to £82,573. A set of four Queen Anne plain circular dishes by King of Dublin sold for £2,400, and four George II candlesticks by William Gould fetched £1,050. A sale of English, Old Master and modern prints totalled £33,870, including £924 for a pair of still-life mezzotints by Richard Earlom.

Leading price in a £22,547 sale of Oriental ceramics at Phillips was the £2,000 paid by Woods Wilson for a pair of fine coloured Imari octagonal baluster vases and covers, while a pair of Chinese-taste famille rose sunflower dishes were bought by Lee for £1,000.

A sale of Oriental works of art at Phillips made £13,359, including £600 for a Chinese cornelian vase (Wilson) and £500 for a Japanese silver vase to the same buyer.

● The recent edition of Stanley Gibbons' British Commonwealth Catalogue, to be published on August 15, shows that the world's most valuable individual stamp, the British Guiana 1-cent on magenta of 1856, has risen in value by £20,000 to £150,000 over the past 12 months. Other marked price rises range up to 73 per cent.

Radio

† Indicates programme in black and white.

BBC 1

10.05 a.m. Hector's House. 10.10 Dektari. 11.25 Cricket: Second Test, England v. Australia. 1.30 p.m. Ragtime. 1.45 News. 1.50 Bindowear. 2.15 Cricket and Racing: Second Test, England v. Australia and Glorious Goodwood. 4.23 Regional News (except London). 4.25 Play School. 4.50 Bewitched. 5.15 Newsround Extra. 5.40 Sir Prancelot.
5.45 News.
6.00 Nationwide (London only).
6.25 Private Lives.
6.50 A Question of Sport.
7.20 Top of the Pops.
8.00 It Ain't Half Hot Mum.
8.30 Robbie.
9.00 News.
9.25 "War and Peace" by Leo Tolstoy, part 5.
10.55 Lord Hill at Home to Robin Day.
11.35 Weather, Holiday Prospects/Regional News.

All Regions as BBC 1 except at the following times:—

Wales—6.00-6.25 p.m. Wales To-day. 6.50-7.20 Heddiw. 11.35 News.

Scotland—6.00-6.25 p.m. Reporting Scotland. †11.35 Scottish News Summary.

Northern Ireland—4.23-4.25 p.m. Northern Ireland News. 6.00-6.25 Scene Around Six. †11.35 Northern Ireland News Headlines.

England—6.00-6.25 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South-West (from Plymouth).

BBC 2

6.40 a.m. Open University.
11.00 Play School.
2.35 p.m. Cricket and Racing: Second Test, England v. Australia and 4.05 Glorious Goodwood.
7.05 Open University.
7.30 Newsday.
7.55 Cornish Shipwreck.
8.10 Vienna 1900.
9.00 Cricket: Test Match Highlights.
9.30 Ten Years of Man Alive.
10.20 Gardeners' World.
10.50 News Extra.
11.20 Closedown: Hugh Burden reads "Crane Operator" by James Aitchison.

LONDON

10.30 a.m. A Big Country. 11.20 Spiderman. 11.40 Galloping Gourmet. 12.05 p.m. Yoga for Health. 12.30 Sally and Jake. 12.40 Hickory House. 1.00 First Report: News, FT index. 1.20 Lunch-time To-day. 1.30 Time to Work. 2.00 Good Afternoon. 2.25 Mid-week Racing from Redcar. 4.25 Rainbow. 4.45 Sinbad Junior. 4.50 Cowboy in Africa.
5.50 News from ITN.
6.00 To-day.
6.35 Crossroads.
7.00 Bless This House.
7.30 Griff.
8.30 This Week.
9.00 Moody and Pegg.
10.00 News.
10.30 Drive-in.
11.00 The Red Baron.
12.00 What the Papers Say.
12.15 a.m. One Point of View.

All ITV Regions as London except at the following times:—

ANGLIA

1.25 p.m. Anglia News. 2.00 Women Only. 4.25 The Romper Room. 4.55 The Amazing Chan and the Chan Clan. 5.20 Rock On With 45. 6.00 About Anglia. 6.20 Arena. 7.00 Gambit. 7.30 The Protectors. 8.00 Dawson's Weekly. 10.30 Orson Welles Great Mysteries. 11.00 Maude. 11.30 Drive-in. 11.55 The Living Word.

ATV MIDLANDS

1.20 p.m. Lunchtime Newsdesk. 4.25 The Funky Phantom. 4.50 Castaway. 5.20 Rock On With 45. 6.0 ATV Today including Police Five. 7.00 Barnaby Jones. 8.00 Dawson's Weekly. 10.30 Gardening Today. 11.00 Orson Welles Great Mysteries. 11.30 What The Papers Say. 11.45 Father Paschal.

BORDER

†1.25 Border News. 2.00 Women Only. 4.25 Catch Kandy. 4.50 Fantastic Voyage. 5.20 Rock On With 45. 6.00 Border News and Lookaround. 7.00 Movin' On. 8.00 Dawson's Weekly. 11.00 Journey To The Unknown. †11.55 Border News Summary.

CHANNEL

1.20 p.m. Channel Lunchtime News and What's On Where. 4.25 Cowboy In Africa. 5.20 The Protectors. 6.00 Channel News. 6.10 Woobinda. 7.00 The Six Million Dollar Man. 8.00 Dawson's Weekly. 10.30 Places Where They Sing. 11.00 Night Gallery. 11.35 Actualities et Prédictions.

GRAMPIAN

12.00 Duty Free. 12.20 p.m. Another Side of the Forest. 12.35 Lunchtime Call. 1.20 Grampian News Headlines. 2.00 Women Only. 4.25 Tarzan. 5.20 Rock On With 45. 6.00 Grampian News. 6.10 Top Club. 7.00 The Six Million Dollar Man. 8.00 Dawson's Weekly. 10.30 Matter of Concern. 11.00 Look Ahead. 11.35 Sananguagat. 12.00 Evening Prayers.

GRANADA

10.30 a.m. Catch Kandy. 10.55 It's Fun To Read. 11.00 A Place To Live. 11.15 The Nature of Things. 12.10 p.m. The Amazing Chan and the Chan Clan. 12.30 Hammy Hamster's Adventures on the Riverbank. 1.20 This Is Your Right. 4.25 The Osmonds. 4.50 Survival. 5.15 Dodo. 5.20 Crossroads. 6.00 Granada Reports. 6.35 Here's Lucy. 7.05 Combat. 8.00 Dawson's Weekly. 10.30 Reports Extra. 11.00 What The Papers Say. 11.20 Strange Report.

HTV

1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Women Only. 4.25 Around the World In 80 Days. 4.50 Shang A Lang. 5.20 Help! 5.25 Crossroads. 6.00 Report West. 6.15 Report Wales. 6.30 Survival. 7.00 Jason King. 8.00 Dawson's Weekly. 10.30 The 1975 Cardiff Tattoo. 11.30 The Baron.

HTV Cymru/Wales—As HTV general service except: 1.20-1.25 p.m. Penawdau Newyddion Y Dydd. 4.25 Miri Mawr. 4.35-4.50 Miri Mwy. 6.00-6.15 Y Dydd. 11.30 Second Night.

HTV West—As HTV General Service except: 1.20-1.30 p.m. Report West Headlines. 6.15-6.30 Sport West.

SCOTTISH

11.55 a.m. Alphabet Soup. 12.15 p.m. Legend of John Henry. 1.25 Road. Weather Report. 4.35 Tarzan. 5.20 Kirl. 5.25 Crossroads. 6.00 Scottish News. 6.05 Isabel on Thursday. 7.00 The Persuaders. 8.00 Dawson's Weekly. 10.30 Late Call. 10.35 Boney.

SOUTHERN

11.00 a.m. Yoga For Health. 11.20 Our Asian Neighbours. 11.40 Wait Till Your Father Gets Home. 12.05 p.m. Skippy. 12.30 Hammy Hamster's Adventures on the Riverbank. 1.20 Southern News. 2.00 Women Only. 4.25 The Count of Monte Cristo. 4.50 The Beachcombers. 5.20 Betty Boop. 5.25 Crossroads. 6.00 Day By Day. 6.35 Survival. 7.05 The Thursday Movie: "The Young Land," starring Pat Wayne. 10.30 Music In Camera: The Bournemouth Sinfonietta and Choir. 11.00 Movin' On. 12.00 Southern News Extra.

TYNE TEES

12.35 p.m. Starting Point. 1.25 Where The Jobs Are. 2.00 Women Only. 4.25 Tarzan. 5.20 Rock On With 45. 6.00 Today At Six. 7.00 The Zoo Gang. 8.00 Dawson's Weekly. 10.30 Musical Triangles. 11.00 A Place In History. 11.30 Late News Extra. 11.35 Football To Faith—Newcastle United.

ULSTER

1.20 p.m. Ulster News Headlines. 4.23 Ulster News Headlines. 4.25 Lost In Space. 5.20 Rock On With 45. 6.00 Summer Reports. 7.00 Six Million Dollar Man. 8.00 Dawson's Weekly. 10.30 Gardening Today. 11.00 The Adventurer. 11.30 Who Matters?

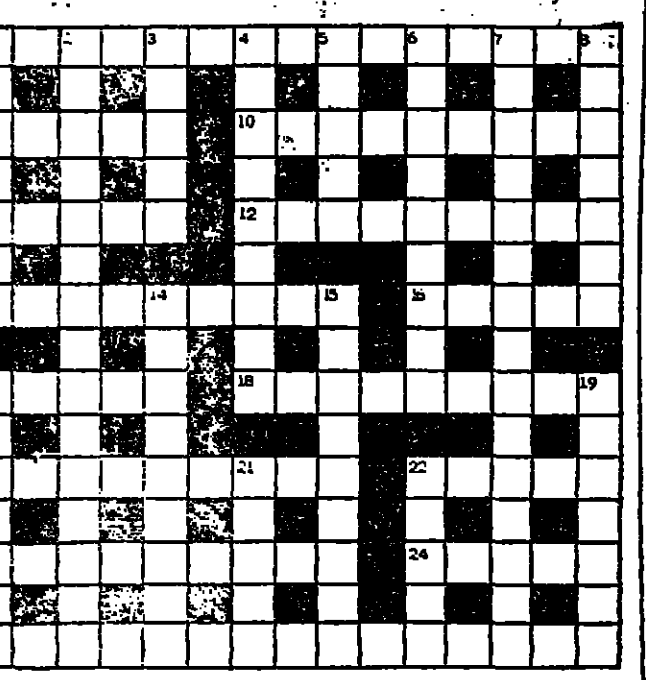
WESTWARD

11.25 a.m. Yoga For Health. 11.50 Adventures In Rainbow Country. 12.15 p.m. Skippy. 12.30 Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 4.25 Cowboy In Africa. 5.20 The Protectors. 6.00 Westward Diary. 7.00 The Six Million Dollar Man. 8.00 Dawson's Weekly. 10.32 Westward Late News. 10.35 Places Where They Sing. 11.00 Night Gallery. 11.35 Faith For Life.

YORKSHIRE

1.20 p.m. Calendar News. 5.20 Rock On With 45. 6.00 Calendar. 7.00 Zoo Gang. 8.00 Dawson's Weekly. 10.30 Calendar People. 11.00 Miss Mactaggart Won't Lie Down. 11.30 Drive-In.

F.T. CROSSWORD PUZZLE No. 2,843



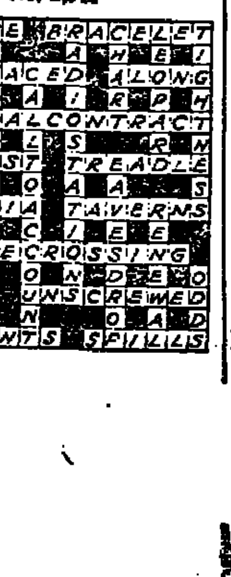
ACROSS

1 Leisure hours where the palms grow (4, 2, 4, 5)
9 Bind again concerning the draw (5)
10 What slimmers shouldn't do concerning contents of the stomach (9)
11 Unit during eastern exercise (5)
12 Turns, or turns to in provisions (9)
13 [illegible] chief man on board [illegible] (9)
16 [illegible] and another man on board who's large and surrounded by a mass of hair [illegible] (5)
17 [illegible] and thundered at heart below (5)
18 Discharge unrevealed particle (9)
20 Affirms being a politician (9)
22 Drink for the non-slimmer? (5)
23 A fair displayer (9)
24 Said further and summed up (5)
25 Unity clean upper mess—that's straight up (15)

DOWN

1 Biting—girl-like? (7)
2 Ministry of Transport goes to [illegible] and fumes first at her parents (6, 3, 6)
3 Round green is open (5)
4 Love the sullen not so much and without fragrance (9)
5 Happening even before the start (5)
6 Where the tall and the important eat in college? (4, 5)
7 Shy little Diana's condition could be a neurosis (7, 8)
8 Walks about — relatively speaking? (7)
14 Through me being competent it may be penetrated (9)
15 Odd mechanical device (9)
17 Turn up but stands to cry (7)
19 Eminently changed only Ted (7)
21 Not loud or even silenced (5)
22 Stop in the stable (5)

SOLUTION TO PUZZLE No. 2,842



RADIO 1 — 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 11.00 Ed Stewart with The Radio 1 Roadshow. 12.30 p.m. Newsbeat. 12.45 Johnnie Walker including this week's new Top 30 LP discs. 2.02 David Hamilton (S) (also on VHF). 5.00 Newsbeat. 5.15 Bob Harris with Top Gear. 7.0-12.33 a.m. As Radio 2.

RADIO 2 — 1,500m and VHF

6.00 a.m. News Summary. 6.02 Simon Bates (S) including 6.15 Pause for Thought. 7.02 Terry Wogan (S). 8.27 Racing Bulletin and 8.45 Pause for Thought. 9.02-11.30 Pete Murray's Open House (S) including 10.30 Waggoners' Walk. 11.30 Jimmy Young (S). 1.50 p.m. Sports Desk. 1.55 Good Listening (VHF). 2.02 David Hamilton (S) as Radio 1, but including on 1500m. only (also 202m. Scotland) 2.45, 3.45 and 4.45 Sports Desk and 3.30 Racing from Goodwood. 5.02 Waggoners' Walk. 5.17 Sam Costa (S) including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 Pros and Cons (S). 7.30 Sports Desk. 7.32 Robin Richmond: The Organist Entertains (S). 8.02 Folk 75 (S). 8.30 Folkweave: The Chieftains in Concert (S). 9.02 Take Your Partners in Radio 2 Ballroom (S). 10.02 Sports Desk. 10.05 Don Durbridge (S) with Music Through Midnight including 12.00 News. 12.31 a.m. News Summary.

RADIO 3 — 464m. Stereo & VHF

† Medium Wave only

7.00 a.m. News. 7.05 Overture: Mendelssohn, Schumann, Schubert (S). 8.00 News. 8.05 Morning Concert: Smetana, Carl Stamitz, Janacek (S). 9.00 News. 9.05 This Week's Composer: Haydn (S). 9.45 BBC West of England Singers (S). 10.30 Recital (S). 11.15 Cricket: Second Test († from 5.45 p.m.) England v. Australia. 1.35-1.40 News. 1.40-2.00 Lunchtime with Swanton (talk). 26.00 Study on 3. 7.30 Szymanowski concert (S). 8.00 Proms concert of 16th century music (S). 9.40 New Exhibitions of Ancient Fables. 10.30 The Pleasure Gardens (S). 11.25 News.

Radio 3 VHF only—6.20-7.00 a.m. and 5.45-7.30 p.m. Open University.

RADIO 4 — 434m, 330m, 285m and VHF

6.20 a.m. News. 6.22 Farming To-day. 6.40 Prayer for the Day. 6.45 To-day including 6.50 VHF Regional News. 6.55 Weather, programme news. 7.00 News and more of To-day. 7.27 Sports Desk. 7.35 To-day's Papers. 7.45 Thought for the Day. 7.50 VHF Regional News. 7.55 Weather, programme news. 8.00 News and more of To-day. 8.27 Sports Desk and 8.35 To-day's Papers. 8.45 Yesterday in Parliament. 9.00 News. 9.05 These You Have Loved (S). 10.00 News. 10.05 From Our Own Correspondent. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 Wogan's World. 11.50 It's an Odd World. 12.00 News. 12.02 p.m. You and Yours. 12.27 The Eric Morecambe and Ernie Wise Show. 12.55 Weather and programme news. VHF (except London and S.E.) Regional News. 1.00 The World at One. 1.30 The Archers. 1.45 Woman's Hour including 2.00-2.02 News. 2.45 Listen with Mother. 3.00 News. 3.05 Afternoon Theatre. 3.50 Jack de Manio Precisely including 4.00-4.05 News. 4.35 Story Time. 5.00 PM Reports. 15.50 Financial Report. VHF Regional News. 5.55 Weather, programme news. 6.00 News. 6.15 I'm Sorry I Haven't a Clue. 6.45 The Archers. 7.00 News Desk. 7.30 Any Answers? 8.00 Three Love Stories. 8.45 Going Into Uniform. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World To-night. 10.45 A Book at Bedtime. 11.00 The Financial World To-night. 11.15 To-day in Parliament. 11.30 News.

BBC Radio London — 206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 Rush Hour. 9.02 Downtown. 11.03 In Town: Life in London to-day. 12.03 p.m. Call In—1. 12.45 London News Desk. 1.00 Call In—2. 2.03 206 Showcase. 4.03 Sound Out. 4.32 Home Run including London News Desk at 5.00, 6.00. 7.00 In Town. 8.00 News Extra. 8.30 Operascura. 10.03 Robbie Vincent's Late Night London. 12.00 As Radio 2 until closedown.

London Broadcasting — 261m and 97.3 VHF

6.00 a.m. "AM": breakfast-time news show, with interviews, traffic and travel service, plus sport. 10.00 Open Line—London talks to George Gale. 12.00 Newswatch. 6.00 p.m. Newsbreak. 7.30 Music in Stereo. 9.00 Love in London. 1.30-6.00 a.m. Nightwatch—news every half-hour.

Capital Radio — 194m and 95.8 VHF

6.30 a.m. The Breakfast Show. 9.00 Michael Aspel presents music, guests, competitions and "Swapshop." 12.00 Cash on Delivery. 3.00 p.m. Roger Scott. 7.00 London To-day. 7.30 Open Line. 9.00 Your Mother Wouldn't Like It: Nicky Horne's rock show. 11.00 Tony Myatt and his late night show. 2.00 a.m. Night Flight.

ENTERTAINMENT GUIDE

OPERA & BALLET

COLISEUM. ENGLISH NATIONAL OPERA.

COVENT GARDEN. THE ROYAL BALLET.

GLYNDEBOURNE FESTIVAL OPERA.

SADLER'S WELLS THEATRE.

YOUNG VIC.

THEATRES

ADELPHI THEATRE.

ALBERY.

ALDWYCH.

AMBASSADORS.

APOLLO.

ARTS THEATRE CLUB.

CAMBRIDGE THEATRE.

CHICHESTER.

COMEDY.

CRITERION.

DRURY LANE.

DUCHESS.

DUKE OF YORK'S.

FORTUNE.

GARRICK THEATRE.

GLOBE THEATRE.

GREENWICH THEATRE.

HAYMARKET.

HER MAJESTY'S.

KING'S ROAD THEATRE.

LYRIC.

MAY FAIR.

MERMAID.

NEW LONDON.

OLD VIC. NATIONAL THEATRE.

OPEN AIR.

OPEN SPACE.

PALACE.

PALLADIUM.

PHOENIX.

PICCADILLY.

PRINCE OF WALES.

QUEEN'S.

RAYMOND REVUEBAR.

REGENT.

ROUNDHOUSE.

ROYAL COURT.

SAVOY.

SHAW.

ST. MARTIN'S.

STRAND.

TALK OF THE TOWN.

VAUDEVILLE.

VICTORIA PALACE.

WESTMINSTER.

WHITEHALL.

WIMBLEDON.

WINDMILL THEATRE.

WYNDHAM'S.

CINEMAS

ABC 1 & 2 SHAFTESBURY AVE.

CASINO.

CURZON.

LEICESTER SQUARE THEATRE.

ODEON HAYMARKET.

ODEON, ST. MARTIN'S LANE.

PRINCE CHARLES.

SCENE 2.

SCENE 3.

SCENE 4.

WARNER WEST END.

ART GALLERIES

AGNEW GALLERY.

ANTHROPOS' GALLERY.

ROYAL ACADEMY OF ARTS.

REDFERN GALLERY.

MARJORIE PARR GALLERY.

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EXHIBITIONS

ROYAL TOURNAMENT.

هكذا من الأصل

Munich Festival—1

Don Carlos by ANDREW PORTER

The Munich Opera Festival, three and a half weeks of July and August with one opera, and sometimes two, every night, does not have quite the glamorous reputation, internationally, of Salzburg and Bayreuth, but it plays a wider repertory than either: a mixture of new productions, still-fresh productions from the previous season, and reprises of the Mozart, Wagner, and Richard Strauss operas that form the foundation of the festival fare. (Busts of those three masters grace the inner foyer of the National Theatre; upstairs, Verdi and Puccini close one prospect, and Weber and Carl Orff the other.) This year, the new productions are of *Idomeneo*, *Don Carlos*, and Orff's *Antigonae*; the major carry-on from the season is *Die Valküre* from Günther Rennert's *Ring*-in-progress. *Don Giovanni*, Ruth Berghaus's tasteless staging of *Il barbiere* (Rosina imprisoned in a huge, nude female torso, opening a window in its left nipple to respond to the serenade Almavira sings clambering up a thigh), *Parsifal*, *Falstaff*, *Der Rosenkavalier*, *Elektra*, *Capriccio*, and *Pelléas* complete the programme.

Carlo Cossutta and Eberhard Wächter

Munich is dear to me, for there, in the post-war decade, while the opera still played in the Prinzregententheater, I first got to know the Strauss operas in those days not often done elsewhere (*Feuersnot*, *Friedenstag*, *Die Frau ohne Schatten*, *Arabella*, *Die ägyptische Helena*, *Capriccio*, *Daphne*); and saw pieces like Pfitzner's *Palestrina* and Hindemith's *Cardillac* and *Die Harmonie der Welt*. Wieland Wagner produced Gluck's *Orpheus*. *Rienzi* was given in the *Residenz*. Solti, Kempe, Knappertsbusch and Robert Heger were the conductors. Rudolf Hartmann and Helmut Jürgens collaborated on most of the productions. *Die Frau* was designed by Emil Preetorious and *Die ägyptische Helena*, if I remember rightly, by Ludwig Sievert. Here, and in Rennert's Hamburg, was possibly the last flowering of a major resident German company with a style of its own and a corps of regular, resident singers, some distinguished and most of them capable. Names familiar from the annals (such as Hans Hermann Nissen, Toscanini's Sachs in Salzburg in 1936) would turn up in small roles, and celebrated pre-war singers mingled with a new generation—Christl Goltz, Inge Borkh, Sena Jurinac, etc.—and young Americans like Claire Watson and George London in their prime.

In 1958, the little Residenztheater (now called the Cuvilliéstheater, after its architect), where *Idomeneo* had its première in 1781, miraculously reappeared; its interior had been dismantled and safely stored soon before the structure was destroyed by bombs. Five years later, Karl von Fischer's great National Theatre, where *Tristan*, *Die Meistersinger*, *Das Rheingold* and *Die Walküre* had their premières, reopened, after having stood for years as a bombed shell. As a result, Munich now has the most beautiful large theatre and the most beautiful small theatre in Europe. The Prinzregententheater, declared unsafe for public assembly, is now used only for rehearsals. (It is a "Wagner theatre" in the Bayreuth manner.) Outside the official festival, but offering fringe attractions to the festival visitor, is the Gärtnerplatz Theatre, built in 1865 as a small copy of the National Theatre. Humperdinck and Henze (*La cubana*) are on its bill this year.

The large, splendid productions of *Die Meistersinger*, *Die Frau ohne Schatten*, and *Aida* which marked the first season in the newly opened National Theatre were fully described in these pages. They were still "company" performances. For example, Hillegard Hillebrecht and Jess Thomas, house singers, were the Aida and Radamès; Karl Böhm conducted. But in ensuing years there were shows that made one fear that Munich, aiming at magnificence, might be in danger of becoming simply another stop on the jet-set-singers' itinerary, or just another Metropolitan, with audiences come to shout for the stars, applaud the scenery through the music, cheer local favourites, and boo anyone in disfavour. *Don Carlos*, this year, was such a show. Ruggero Raimondi and Brigitte Fassbaender were applauded way beyond their deserts, and in a manner which found no more to the opera than some show-stopping arias. The beautiful coda of Elizabeth's Act II romance was played to the sound of an ovation for the singer, Katia Ricciarelli, and the solemnity of the final scene was shattered after her "Toi qui sus le néant." (Some applause may be inevitable here, but a "demonstration" ruins the dramatic effect of the scene.) Eberhard Wächter was mercilessly booed, and didn't deserve it. So was Georges Prêtre—wh did.

Munich announced that it had acquired "the first-performance rights of an important new edition of *Don Carlos*: the five-act *Originalfassung*." This is Ursula Gunther's careful new edition, due from Ricordi, of the very long opera that was cut before its first performance, in Paris, in 1867. (The passages Verdi removed remained unpublished, and unheard until the BBC did them, in my reconstruction, in its 1973 broadcast of *Don Carlos*; the stage première was given in Boston at much the same time.) Munich may have acquired those rights, but it certainly didn't use them. Though still announced as *Originalfassung*, the version played was the familiar five-act revised-version (as done at Covent Garden), preceded by my newly discovered *Prélude et Introduction* (as heard at the Coliseum). Moreover, the piece was sung in the bad old Italian translation. Although an original-language performance had been planned, the singers demanded extra pay for learning it and the chorus (whose men had been kept very busy mastering *Antigonae*) already knew the work in Italian translation, since Munich's previous *Carlos*, originally done in the Prinzregententheater, in 1961 (in German, with Claire Watson and Gottlob Frick), remained in the repertory (but now in Italian) until last season.

That old production, by Hans Hartleb, in bold, simple settings by Jürgens, was at its best a powerful, direct piece of music-theatre. The new version produced by Otto Schenk, designed by Rudolf Heinrich, represents a somewhat tacky attempt at grand-opera splendours. Heinrich's sets are conventional in style and there is no harm in that, but they are dull and poorly painted, and fit together badly. A chunk of San Yuste peeped into the forest at Fontainebleau; gaps appeared in the wall of Philip's study: the sky-borders were awkardly set. The stage-plans of the original 1867 *Carlos* survive, and in tricky matters like the placing of Charles V's tomb and the disposition of the massed forces of the auto-da-fè scene they obviously give the best musical results by bringing the right voices at the right moment: there was no evidence that Heinrich had studied them. Schenk's principal innovation was to open the Coronation Scene of Act III as a *Bauernfest*, with a very jolly crowd dressed in light pastoral colours, some of them wearing straw hats. It did not fit the ceremonial mood of the music.

Verdi made it clear that no one on stage should seem to hear the Celestial Voice at the end of this scene, but in this production Philip's progress was arrested by it, and he glowered in the direction of the *Engelsstimme* that was interpreting his fête. In the next scene, the curtain rose not on a Philip who had been brooding all night; he entered in a dressing-gown, clutching the casket, somehow suggesting that it was a tumble with Eboli that had wearied him. Elizabeth and Eboli also made their appearances *en negligée*. Details, these: but the conduct of the whole lacked coherence form, and impetus. The local critic was moved to echo the old (pre-Visconti) judgment on the work: a piece spoiled by exigencies of the Paris Opéra. He called the auto-da-fe "a scene wrung from Verdi as a reluctant concession to the Grand Boutique"—whereas in fact this scene was, at the composer's suggestion, added to the original scenario that Paris has supplied. The desire to produce something as spectacular as the Coronation Scene of *Le Prophète* had been with him for a long time. Before *Les Vepres siciliennes* and again before *Don Carlos* he rejected several subjects as being insufficiently Meyerbeerian.

As Elizabeth, Katia Ricciarelli exceeded one's (admittedly not very high) expectations. Although the voice will not do all she asks of it, there are good sounds in it; she endeavours to use it evenly and with expression, and often succeeds. Brigitte Fassbaender pushed too hard, as Eboli, belting out the arias; when a *mezzo* undertakes this role (which Verdi began for an Azucena, but then lifted for a Leonora) it might be as well to return to the original key, G not A, of the Veil Song. Carlo Cossutta's admirable Carlos was, as usual, ardently and poetically sung. Wächter's baritone has lost much of its bloom; his cl'maxes tended to be unpitched shouts. Alone of all the men he wore no beard, and looked like a bonny farmer got up in a grandee's costume. As Philip, Ruggero Raimondi did the big, obvious things in a big, obvious way and had a great success with the public; but it was an unsubtle and uninteresting performance.

Claudio Abbado was to have conducted, but he withdrew. His substitute, Georges Prêtre, produced a crude and superficial reading, not at all well played by the Munich Philharmonic (which shares the festival burden with the regular State Orchestra). The edition fell between various stools. When the five act *Carlos* (Fontainebleau plus the four revised acts) is chosen, I think it can well begin with the "new" *Prélude et Introduction*—but only if the opera is then performed on the scale implied by that start. In Munich there were cuts: a large section of the Act I duet, and in II, most of the chorus-and-Thibault introduction and a verse of Posa's "L'Enfant Carlos." (But, on the other hand, Elizabeth was allowed both verses of her Farewell in that scene, and the *allegro marziale* section of the final duet was not dropped.) It seems to me that if music that Verdi discarded is to be reinstated, it should not be (as here, and also at the Coliseum), the expense of the music he decided to keep; or to put it another way, if there must be cuts, let them be those chosen by the composer.

Strictly, Fontainebleau is best followed by the remaining four acts of the original Paris version, which are emotionally and musically more expansive, rather than by the revised version, which mingles episodes from 1867 and late Verdi in the manner of *Otello*. However, a festival is a place to try things; and it will be interesting to discover what text Karajan has assembled for the production due at Salzburg next month.

Chichester Festival Theatre

Othello by B. A. YOUNG

At about the same time that Olivier's Shylock was conspiring against honest Antonio on the Rialto, Othello out at the Arsenale set off against the Turks. The gentlemen are wearing their smart Victorian suits, or, if in the military, blue caps and tunics laced with gold braid; the ladies' bustles recall the happy felicities of the Du Maurier drawings in Punch. Only Othello himself is allowed any laxity in Finlay James's designs; he spends much of his time in his nightgown and even receives emissaries from the Venetian War Office with his chest naked to the navel.

Peter Dews has contrived a straightforward production. No questions here about why Iago plotted against his chief, or whether Othello truly believed him to be honest. It is a black-and-white conception without subtleties and could have been effective if the director had not had such difficulty with raw material.

The evening's best performance, beyond compare, is Patricia Routledge's as Emilia. This earthy lady can make us chuckle or make us weep with no resource but her delivery of Shakespeare's lines; it is wholly due to her that Desdemona's death scene, one of the most pathetic in all the works, is so moving.

Hannah Gordon gives us a Hollywood Desdemona: a handsome blonde girl who never does violence to the lines but seldom does them entire justice. Cassio calls Desdemona "our great captain's captain;" Iago later observes "our general's wife is now the general;" but Miss Gordon is not that kind of lady at all; indeed, I haven't seen one since Maggie Smith at this same theatre.

Book Reviews appear on Page 20

Cassio too is somewhat short of personality in Christopher Cazenove's playing. We know how little Shakespeare thought of staff officers, but he can't have meant Cassio to be as wet as this. Othello was no great judge of character, heaven knows, but he did prefer Cassio over the lively and resourceful Iago.

When Keith Michell's Iago takes over as GSO 1 (we may as well try to think of the play in modern terms when it is dressed in modern kit) it is as if he had really belonged in the job all the time. Mr. Michell dispenses with the crusty sergeant-major who so often fills the bill and gives us a keen young officer—about 28, as the text says—who is more convincing when he is fulfilling his staff duties than when he relapses into such melodramatic thoughts as "So will I turn her virtue into pitch. And out of her own goodness make the net That shall enmesh us all." I don't believe this young subaltern wanted anything but promotion; when he says that he thinks Othello has been having it off with Emilia it comes out as a casual thought dreamed up to persuade himself that what he's doing is OK really.

I can't pretend that Topol will really do as the Moor. No doubt the casting was prompted by the idea that a Moor should look, and sound, foreign among Venetians (an idea that Shakespeare seems not to have worked on). Topol, his skin scarcely darkened at all, looks as Venetian as anyone else, despite his curly greying hair, but this matters little. What matters is his inability to plumb the emotional depth of the English language. The accent is tiresome and only occasionally makes him incomprehensible; but the reading, slow, ponderous, accented as if read from a textbook at sight, won't do at all. Nor are things improved by wooden facial expression and movements that look as if they were designed for a silent film, movements that sometimes descend to the ludicrous, as when, at the line "What committed, O thou public commoner?" he runs across the stage bent double in the exact attitude of Groucho Marx.

Covent Garden

Symphony by CLEMENT CRISP

Kenneth MacMillan created his *Symphony*, to Shostakovich's youthful first symphony, in 1963. It received a meagre seven performances before dropping from the repertory, inexplicably so in the light of its welcome return to the Opera House stage on Tuesday night. There had been, initially, some adverse comment on Yolanda Sonnabend's designs—the ballet was shown in a dark, cavernous setting that seemed to brood over the action—but during the six viewings I had of the ballet originally, I came to appreciate the appositeness of Miss Sonnabend's décor, which seemed to stress the considerable emotional power of the choreography.

Now, *Symphony* has been revived in an all white set, with white costumes boldly patterned (perhaps too much so in the case of the corps de ballet girls). The effect is to minimise some of the emotionalism that colours the action; yet the ballet remains a fascinating exercise, in which overtly "plotless" choreography is still resonant with psychological comment.

It is a work whose dynamic and psychic shape is only to be understood when the final pose has been achieved. At its close we may see four aspects of a central image at last reconciled, and the locking together of these pieces—the four principals—brings the satisfaction of fitting the remaining pieces of a jig-saw puzzle and the completion of a picture. The key figure is Lynn Seymour. (Oddly, when *Symphony* was first given, Miss Seymour was indisposed, and not until she assumed her role at the second performance did the ballet "jell": a matter repeated with *Romeo* two years later.)

Seymour's presence on Tuesday, with dancing of the grandest beauty and power, gave the action its heart. Her companions were Donald MacLeary, the only other members of the original cast, and Lesley Collier and Wayne Eagling, all assured MacMillan stylists.

The ballet's development can be seen to resemble a quest for that unity, that accord which is found in its final moment. Throughout, there are recurrent images of questioning and seeking, and the choreography, with its bold athletic pulse and very taxing technical demands (not yet fully met by the corps de ballet), has at times an unresolved air. It is a young man's ballet—MacMillan here looks back to *Danses Concertantes* as well as forward to *Song of the Earth*—but in its new, brighter and less fevered dress, the choreographic richness, the vitality of its language are always rewarding. The pas de deux of the third movement, its lyricism speaking as clearly as Shostakovich's long opening oboe melody, is most beautiful, and most beautifully danced by Miss Seymour.

It is dangerous to insist too much upon the undercurrents of feeling which move beneath the surface of the dances, for *Symphony* is a fine dance work *tout court*. If it is "about" emotion, it is also about movement big in outline and large in phrasing, and each section explores spacial relationships quite as fascinating as psychological states. The first movement, chiefly for the men, calls for a lot of muscular bravura; the second, for a quartet of girls led by Lesley Collier, is delicately nuanced and from the succeeding duet we are taken into a finale that pulls together the various strands of the action with remarkable skill.

The performances on Tuesday were, in the main, strong and apt: I suspect, though, that with more experience the ballet will look even better.

£11,000 left to Vienna Philharmonic

A British woman has left £11,000 to the Vienna Philharmonic Orchestra. The bequest is from Miss Nina Maxwell-Jackson, who went to Vienna after living in Yorkshire. She sets the condition that an annual concert is given including a major Mahler work, "in all most loving and loveliest thoughts of Bruno Walter always."

Record Review

Brahms songs by RONALD CRICHTON

Brahms Lieder. Fischer-Dieskau/Moore/Sawallisch/Barenboim. 7 records in box. HMV SLS 5002. Limited edition—see below

This hefty album of seven records contains all the solo songs by Brahms suitable for a male singer (and one at least, "Therese," which is really a woman's song) with the exception of the *Schöne Magelone* series, available separately in masterly performances by Fischer-Dieskau with Richter at the piano. The first record of the album, with accompaniment by Gerald Moore, is a re-issue. The others, made over a period of time, have not been released here before. I gather the limited edition has been going fast, so a quick visit to the dealer may be advisable. So far, there are no arrangements for import. There is a wealth of fine music here, in performances unlikely to be bettered in our time. They are records to keep and go back to and re-explore.

As a Lieder composer Brahms is neglected. A few songs turn up again and again—no need to name them. But by and large he is passed over in favour of Schubert, Schumann, Wolf, Strauss, Mahler. The objections that he frequently set inferior verse (so did Schubert) and that he sometimes sacrificed prosody to the needs of the melodic line are justified up to a point, but are surely not crucial for a non-German public. Brahms was anything but a literary snob. Poetry appealed to him not for beauty or originality of language or profundity of thought, but for something in the way of a possibly quite banal emotion, situation or mood that set his musical responses working. It mattered little to him if the poet was Goethe, Heine or a minor figure such as Georg Friedrich Daumer, whose modest lyrics sparked off some admirable songs.

Brahms wrote his songs with typical care and capacity for taking pains and covering his tracks. He wrote them virtually all through his composing career. His first published songs were written when he was 20, or even earlier. His last, the *Four Serious Songs* date from 1896, the year before his death, aged 64. Since they are finished works of art and not studies for larger works, one should not press the comparison too far. Yet in their concentration, their thoughtfulness, their intimate scale, they stand to the symphonies and concertos in rather the same way as drawings or etchings to the canvases or murals of great painters.

Another familiar criticism of Brahms's songs is that his style showed little development. Certainly there is nothing comparable to the striking difference between the early songs of Fauré and *L'Horizon chimérique*, written at the end of a composing career 15 years longer than the span granted to Brahms. But Brahms lived through a less eventful phase of musical history, and as Eric Sams points out in his BBC Music Guide *Brahms Songs*, the chronology is misleading because this composer had a habit of putting an unfinished work away in a drawer for some years until the seed had germinated further. Mr. Sams's monograph is an invaluable companion for these records. He writes cogently and concisely, with acute insight about the songs, about Brahm's music and the minds of lieder composers in general.

Fischer-Dieskau is his imposing, versatile, commanding self. It would be foolish to pretend there are not moments during this Marathon when he tires, strains, or rants. Consonants are hurled out like thunderbolts (sometimes a hint of pre-echo catches an initial sibilant without the note it heralds). There are moments when the listener, alone with his record-playing equipment, quailing before the torrents of vocal tone pouring from his speakers, begins to understand what Queen Victoria felt about Gladstone. But these are carpings beside the gratitude and admiration one owes to this great artist for his dedication, understanding, and consuming love of music. Brahms seldom calls for a wide vocal range in terms of intervals, but he expects an almost instrumental capacity to breathe long phrases. Fischer-Dieskau takes these hurdles manfully.

His accompanists are, in succession, Gerald Moore, Wolfgang Sawallisch, and Daniel Barenboim. Moore, alas, is only heard on the first two sides. His limpid thirds in "Nachtigallen schwingen" are as fine an example of pianism as anything to be heard in the rest of the series. Sawallisch, who has the lion's share including the *Serious songs*, is very much what one would expect from his conducting—intelligent, precise, not over-indulgent to the lyrical side of the music. Barenboim is the immediate charmer, the only one who can somehow persuade the singer never to open the swell too much (only once does he succumb, at the end of a brilliant account of the sardonic "Unüberwindlich"), warm piano tone lapping sinuously round warm voice. Gladstone is changed into Disraeli.

The result is so magical, subtle, yet natural, that one inevitably wonders if Barenboim has wickedly managed to pinch the best songs for himself (the order on the records is not strictly chronological). But in "Der Tod, das ist die kühle Nacht" one also wonders if the drenching beauty is not starting to pall: one discovers new virtues in the comparative dryness of Sawallisch. In any case, it is a mistake to play too many of these songs at a sitting. Brahms, superficially accesible, is in reality a demanding composer. The booklet contains texts, translations, and portraits of Brahm's poets or versifiers.

Albert Hall/Radio 3

Bournemouth Symphony

As the orchestra from Bournemouth is the best of any outside London, headed by a Finnish conductor of unusual musical strengths, there was more than usual cause to feel disappointment at the unadventurous programme of what might be called Arctic Pops it came on Tuesday to the Proms to play. This was somewhat mitigated in the second half by a performance of the Shostakovich Fifth Symphony, in which a combination of Paavo Berglund's steady tempi and playing firm enough in focus almost entirely to withstand the heat, managed to re-awaken interest in a much-played work.

Mr. Berglund is not sticking to the letter of the score when he adds two of each instrument to the horn quartet and trumpet trio; or when he provides only one harp; or when he takes the second movement Allegretto at roughly half the composer's (admittedly controversial) metronome marking. The aim seemed to be a thickening and solidifying of tone and musical temper; and, because he is a conductor of sound musical convictions and firmly founded symphonic instincts, the aim was on this occasion justified.

Earlier, there had been the first suite of the early Sibelius *Scènes historiques*, light and colourful in spirit, deserving of playing more charming; and the Grieg Piano Concerto. Michael Roll, the soloist, is a player who in the right music can suggest reserves of inward feeling and pent-up sensitivity; but liquid cantabile was, on Tuesday at least, not to be counted among his strengths, in a work where it is the make-or-break quality. The final full-orchestra blaring of the F major flute melody is one of the most awful experiences the concert hall has to offer; and the present performance did not persuade one otherwise.

MAX LOPPERT

WORLD TRADE NEWS

Poland to profit from Comecon price changes

BY PAUL LENDVAI

VIENNA, July 30.

POLAND, AS the second major exporter of raw materials after the Soviet Union, will profit from the new price system and higher prices charged for raw materials and fuels within Comecon, according to the Warsaw monthly Ideologia I Politika.

This is the first time an East European country has described price changes as having a "favourable" impact on exports.

It follows not only the upward adjustment of raw material prices but also the ensuing rise in contract prices for material-intensive machinery and equipment such as ships, rolling stock and complete plants. These play an important role in Polish exports, the magazine claims.

The new pricing system will counteract the widening gap between intra-Comecon prices and those ruling on the world market and thus promote turnover within the Soviet block.

A further widening of the gap would have created a situation encouraging East European exporters to launch sales drives in capitalist markets which in turn would have hampered the implementation of decisions aimed at intensifying trade within Comecon.

According to the Polish Interpress agency, Poland will produce this year 240,000 tons of zinc and 70,000 tons of lead. With an annual production of 90bn. Kwh of electric power. Poland last year was a net exporter of power to the tune of 3bn. Kwh to Comecon partners, as well as to Austria and Switzerland.

Since the discovery of copper deposits in 1956, that industry has recorded annual growth rates of 20 to 25 per cent. Output jumped from 21,000 tons in 1960 to 196,000 tons last year, and is scheduled to reach 240,000 tons in 1975.

Poland leads the European league in known hard coal deposits, with 155bn. tons, and takes fourth place after the U.S., Russia and China among the world's largest coal producers. The annual output of useful minerals per head of the population in Poland is claimed to be twice as high as the world average.

Meanwhile, figures just released for the first half of 1975 show exports were 28 per cent. above a year earlier and imports 24 per cent. higher. But as recently admitted by Mr. Jaroszewicz, the Premier, at a conference of foreign trade officials and experts, exports to the West have fallen short of *the original targets.*

While shipments rose 19.5 per cent. to the West, the import bill in convertible currency jumped by almost 26 per cent. Despite price increases for raw materials and half-finished products exported by Poland, the visible trade deficit in exchanges with the Western industrialised countries last year doubled.

European outpost for Hitachi

By Peter Duminy

TOKYO, July 30.

Japan's biggest electrical company, Hitachi, is establishing an outpost in European financial markets. The wholly-owned subsidiary, Hitachi International (Holland), will be incorporated in Amsterdam on August 1 and will open for business early in October.

Hitachi is careful not to say that the Dutch company will be a financing offshoot, since the Bank of Japan has made it clear it will not allow industrial and commercial companies to spawn financial intermediaries.

Hitachi International, which will have a subscribed capital of Fls.1m. (£178,000), is therefore described as "a kind of trading company and information centre."

Nomenclature aside, the objective is to cheapen the cost of financing Hitachi's exports, at present worth more than $50m. a month. This will be achieved in a number of ways, according to Mr. Yasutaka Hiroi, a general manager of Hitachi, although initially the Dutch company will confine itself to specific projects for which official clearance has been obtained in Tokyo.

Mr. Hiroi said the subsidiary, in appropriate cases, would interpose itself between a European customer and the Japanese supplier to give the customer commercial credit while Hitachi got its cash. In other words, the cost of carrying the contract would be transferred to Europe, either because the interest cost would be lower or the exchange risk smaller there.

It is also envisaged that the subsidiary will act as a "co-ordinator" in arranging bank guarantees for example, to finance large power station contracts in South America.

Hitachi International resembles in many respects Toshiba International Capital, set up in Amsterdam by the Toshiba Group in March last year. However, Hitachi claims there is an important difference in that HI aims at a general role in relation to group exports whereas TIC has been mainly a vehicle for financing offshore manufacturing activities.

● HITACHI is to supply thermal power plant equipment worth $230m. to Senoko power station, Singapore. It is believed to be the biggest single order received by a Japanese electrical company. Hitachi will make three 250,000 kW units, including steam turbine generators and boilers. The first is for operation by January 1979 and the third by January, 1980.

Export Contracts

COMPAIR CONSTRUCTION & MINING is to build compressed air equipment worth £268,000 for the Algerian State Cement Company.

NAIRN DUNBAR will supply simulated fur fabrics worth £100,000 to the Middle East.

IN BRIEF

U.K. chemical exports

U.K. exports of chemicals (fertilisers, plastics, paints, dyestuffs, medicines) rose 10 per cent. to a peak £1.09bn. in the first half year. Imports fell 7.5 per cent. to £689m., giving a favourable record trade surplus for chemicals of £401m. The Chemical Industries Association says the surplus probably represents the peak for some time to come because world trading in chemicals is affected by the recession. The industry, which employs only 5 per cent. of the total U.K. workforce, contributed over 22 per cent. of the export surplus of £1.79bn. for all U.K. manufactured goods.

Japan's TV output

Japan's colour TV set output fell 22.4 per cent. in the first half-year to 2.97m. units. Overall deliveries were 3.12m. units, a 1 per cent. rise, including exports of 1m., a 1.5 per cent. decline. June 30 inventories numbered 649,000 units, a 47.7 per cent. drop on a year earlier.

Canada-Israel tax

Canada and Israel have signed a double tax and fiscal evasion convention for taxes on income and capital. For dividends, branch profits, interest and royalties paid to non-residents a general withholding tax of 15 per cent. will apply.

A similar agreement has been negotiated between the U.S. and Israel but awaits signature and ratification.

Denmark's deficit

Denmark's first half trade deficit was cut to Kr.3.36bn. (£267m.) compared with Kr.8.61bn. (£686m.) last year. Exports rose 6.6 per cent. to Kr.24.39bn. (£1.94bn.) while imports fell 11.9 per cent. to Kr.27.75bn. (£2.21bn.). June exports included ships worth Kr.1.37bn. (£109m.), or Kr.440m. (£35m.) above June, 1974.

Brazilian airports

Brazilian airport facilities will be improved with the help of a $50m. loan by four banks, led by Chase Manhattan, to Infraero, a Brazilian State enterprise which operates 26 major airports. The funds will be used for civil projects, including extensions to runways, taxiways and aprons, plus work on terminals.

German machinery

New West German domestic orders for machinery rose markedly in the latter part of June before the 7.5 per cent. investment premium expired, by 131 per cent. above June, 1974 (at stable prices). Including exports, June orders were 39 per cent. higher in real terms. Over the first half-year total orders fell 7 per cent. in real terms.

Ghana's stake in foreign owned businesses

BY OUR OWN CORRESPONDENT

ACCRA, July 30.

THE INVESTMENT policy implementation committee appointed by the Ghana Government to supervise the takeover by Ghanaians of a percentage of the shares of specified foreign-owned business concerns has asked all businesses affected by the 1975 decree to provide the committee with details about their operations.

Details have to reach the committee not later than August 31. Failure to comply with the request or the provision of false information is punishable by a fine not exceeding Cedis 5,000 (£2,000) or imprisonment not exceeding five years, or both.

The shares to be sold to Ghanaians, ranging from 30 per cent. to 55 per cent., must be disposed of before January 1 next.

Finance for Hyundai Motor

By Our Own Correspondent

SEOUL, July 30

THE SOUTH KOREAN government has approved the last £3m. part of a £20m. Barclays Bank loan to finance the construction of a car factory for Hyundai Motor. The loan will meet about 70 per cent. of the estimated cost of the factory in the industrial town of Ulsan.

The loan was part of nine loan projects worth $95m. which was authorised, including $4.5m. raised from a syndicate organised by Asian Pacific Capital Corporation, Singapore, to help the Hyundai project.

Hyundai officials said the loan authorisation would enable it to complete imports of all necessary capital goods by this autumn and to start turning out first Poney cars around the end of this year.

Dutch orders in Mid-East

By Our Own Correspondent

ROTTERDAM, July 30.

IN THE past six months Dutch companies have gained Arab Middle East orders worth at least Fls.4bn. (£710m.). The true figure is even higher as several concerns are involved in orders given to foreign companies.

Bredero, a building group, is negotiating with the Iranian Government for housebuilding totalling another Fls.1bn (£177m.). Iran has also asked the Dutch shipping yards Rijn-Schelde-Verolme and Giessen de Noord for a budget to build 10 freighters.

Contracts include enlargement of Kuwaiti airport, building a radio and TV station, and a sewage system in Kuwait, dredging the port of Dhubail, and enlargement of the energy and drinking water supply of Abu Dhabi.

India's trade with Indonesia

By K. K. Sharma

NEW DELHI, July 30.

INDIA AND Indonesia are to sign a new long-term trade treaty and make arrangements for joint industrial ventures. This emerged from talks between Mr. Adam Malik, the visiting Indonesian Foreign Minister, and Mr. Y. B. Chavan, India's Foreign Minister.

The draft of the agreement has been discussed, and it is possible there will be other agreements on civil aviation and industrial and technological collaboration. A technical team from Indonesia will visit India later this year to identify new fields of industrial collaboration and to finalise arrangements for Indian consultancy services in setting up new industrial units in Indonesia.

Exhibitions

● At the Offshore Europe Exhibition (Aberdeen, September 16-19) 30 Danish companies will be represented, showing for the first time in a European offshore industry exhibition. Denmark is a latecomer to the offshore market, but the prospect of oil exploration off West Greenland combined with falling orders for other types of business is causing more companies to take a serious interest in the oil sector. Hempels, marine paint specialists, provide 30 per cent. of the market for materials for surface coating of the world's semi-submersible platforms. Monberg and Thorsen, civil engineers, has obtained several important contracts, and Aarhus Flydedock has built supply ships. Another sector of Danish industry "going into oil" is electronics, where several companies are specialising in marine equipment.

● At an International exhibition at Guayaquil, Ecuador, in September, *30 Israeli companies* will display products as part of Israel's determined efforts to develop markets world-wide and lessen dependence on Europe and the U.S. Zim Israel Navigation Company is examining plans for a direct shipping line to the West coast of South America. Present Israeli exports to Ecuador, only $3m. in 1974, are mainly metal products, electrical and electronic equipment and textiles, in exchange for fish, meat and hides from Ecuador.

Similarly, Israel is participating for the first time this year in an exhibition in Australia with 18 Israeli concerns showing this week irrigation installations, electrical and electronic lines, building equipment and automobile spares.

AMERICAN NEWS

No U.S. approach to Cuba likely despite OAS move

BY ALAN RIDING

SAN JOSE, Costa Rica, July 30.

THE UNITED STATES is expected to make no early diplomatic approach to Cuba despite the Organisation of American States' decision here last night to allow member states to "normalise" relations with Havana.

Although the U.S. was one of *16 countries voting in favour of* a so-called "Freedom of Action" resolution, American officials indicated that no major initiative could be expected by Washington until after the 1976 Presidential elections.

They also noted that Congressional action would be required to lift the economic sanctions imposed against Cuba following the October 1962 missile crisis.

Adoption of the OAS resolution, which was seen as an indirect way of ending the continental boycott of Cuba, has nevertheless come as a relief to the United States and has removed a chronic obstacle to U.S.-Latin American understanding.

Quietly prodded by Washington, even such staunch enemies of the Castro regime as Bolivia, Haiti and Guatemala supported the resolution, while Brazil and Nicaragua only abstained. But Chile, Uruguay and Paraguay voted against the measure.

In fact, the only countries expected to move quickly to "normalise" their relations with Cuba are Costa Rica and Ecuador. Among countries voting to-day, Argentina, Colombia, Panama, Peru, Trinidad and Tobago and Venezuela have all recognised Havana in the past three years, while Mexico never broke off its formal links with Cuba.

The "Freedom of Action" resolution was seen as an eminently political response to the Cuban problem, since the 1962 suspension of Cuba from the OAS and the 1964 economic sanctions still remain on the books.

Countries wishing to do so can therefore maintain an embargo against Cuba without committing "economic aggression." Similarly, Cuba still cannot take its seat in the OAS Council—although Havana has stated repeatedly that it has no interest in returning to the OAS until it is totally reorganised.

From most points of view, the resolution marked the formal end of Cuba's isolation in the Americas. Certainly, the OAS is not planning any further action to reintegrate Cuba in the inter-American system.

Castro reveals 'plots by CIA'

BY ADRIAN DICKS

WASHINGTON, July 30.

THE CUBAN Prime Minister, Dr. Fidel Castro, has made an indirect but nonetheless remarkable intervention into the furore over the Central Intelligence Agency by giving details of 24 separate plots against his country, including several attempts to assassinate him, in which the CIA was allegedly involved.

Dr. Castro's charges, which ironically have come to light the day after the OAS vote to end its embargo of Cuba, were detailed in a document he gave to Senator George McGovern on a recent visit to Havana.

The Cuban leader gave brief particulars of all the alleged plots, which took place between 1960 and 1971.

Senator McGovern, saying that he had no way of judging the accuracy of the charges, passed the document on to Senator Frank Church's committee on intelligence activities, urging it to follow up the "important leads" supplied by the Cuban Prime Minister.

Disclosure of payoffs 'imperils Lockheed deals'

WASHINGTON, July 30.

LOCKHEED AIRCRAFT Corporation has told U.S. Government investigators that it could lose lucrative contracts if it is forced to disclose details of overseas sales arrangements, some of which involve payoffs to foreign officials.

The aerospace and weapons manufacturer has admitted to the U.S. Securities and Exchange Commission (SEC) and to a Senate Foreign Relations sub-committee that some of its foreign sales commissions were used for payoffs to win approval for contracts. But it is understood that the company claims that specific disclosure could entail "huge risks" to profitable overseas contracts.

The argument has won the sympathy of at least some Government officials, who note that Lockheed is trying to return to a sound financial footing after suffering mammoth losses several years ago. The losses put the company on the edge of bankruptcy and prompted Congress to create an emergency programme under which the Treasury is guaranteeing $195m. in loans to the Burbank, California, concern.

AP-DJ

New bid expected to lift Turkish arms embargo

BY ADRIAN DICKS

WASHINGTON, July 30.

THE LEADERS of the Democratic majority in Congress, apparently somewhat abashed by the consequences of the House vote to maintain the Turkish arms embargo, are reported to be preparing a new effort to get it lifted before the recess begins on Friday, in order to minimise the damage to Nato.

The parliamentary manoeuvre was expected to be launched in the Senate, where a narrow majority voted to end the arms ban two months ago.

Building up the pressure on Congressmen to reverse the effects of last week's vote, Dr. James Schlesinger, the Secretary of Defence, said to-day that there was a risk that the U.S. might lose permanently the bases which the Turkish forces have now taken over.

Dr. Schlesinger praised the Ankara Government for showing "some degree of restraint" during the past few days—a remark which may indicate that the takeover has so far been as much symbolic as operational. However, the Defence Secretary also said that "a major portion" of U.S. intelligence coverage of the Soviet Union was affected by the Turkish move.

Reuter adds from Ankara: Turkey today continued reprisals against the U.S. arms embargo, denying some port facilities to American vessels and restricting overflights but making no move against the *nuclear strike force on its soil,* informed sources said.

The Nato connection, Page 7

BRIBES PROBE CONTINUES IN MARYLAND

WASHINGTON, July 30.

THE WEB of bribery and corruption in Maryland that led to the resignation of Mr. Spiro Agnew from the Vice Presidency in October, 1973, now appears likely to damage the reputation of his successor as Governor of the State, Mr. Marvin Mandel.

Investigations into the connections between Maryland politicians and a number of building and property companies have been continuing since Mr. Agnew's downfall, and there have been several indictments. Governor Mandel has not been officially told by the federal prosecutors whether he is a target of the investigations, but has revealed that his tax records and those of his son have been subpoenaed.

N.Y. faces $500m. economies package

By Jay Palmer

NEW YORK, July 30.

MAYOR ABRAHAM Beame will later to-day officially spell out a $500m. package of New York City economy cuts. The measures, devised after lengthy talks with the Municipal Assistance Corporation yesterday and over the weekend, are seen as the minimum first step necessary to restore shattered investor confidence in the city's borrowings.

The core of the Mayor's plan involves an immediate wage freeze on all salaries of city employees. In addition he will announce the planned elimination of over 9,000 city jobs this year by attrition, a 10 per cent. salary cut for managerial and executive city employees, a transit fare increase and a cut in the budget of the City university.

City Council leaders, who have generally been pushing for even tougher economies, have already indicated that an immediate approval of this package is a foregone conclusion, especially following the news yesterday from state lawyers that a wage freeze is constitutionally permissible.

Originally the City and MAC had hoped to avoid a headlong confrontation with the unions over the planned cuts. However, the Mayor's deadline for voluntary concessions by labour leaders expired at midnight last night without the unions giving way. Leaders of the most militant workers have threatened that the formal announcement of the measures to-day will be the signal for immediate strikes.

In addition to these cuts, officials of MAC, the state agency set up to raise funds for the city, have warned that even tougher measures will still be necessary in the near future. Plans for a 36-month budget and spending freeze are understood to be under consideration in addition to plans for an independent review of the city's management and a drive to eliminate accounting gimmicks in the city budget.

Although the city's municipal unions have generally refused to co-operate with plans for economic cuts, they have won one major concession. It is understood that, aside from employee reductions from attrition, no further employee layoffs will be made. This decision follows the revelation yesterday that announced layoffs inspired by the two-month-old economy drive had fallen short of target, with city agencies simply overstating their real cuts.

RURAL REFORM IN HONDURAS

Peasants and priests unite

BY ALAN RIDING, RECENTLY IN TEGUCIGALPA

THE UPSURGE of violence in the Honduran countryside, where more than 20 people have died in the past month, has abruptly transformed the nation's land reform process from a simple Government initiative into a direct confrontation between landowners and peasants. Making the situation doubly explosive is the fact that, in a country where the Government is weak and little organised, both landowners and peasants are now mobilised into strong and determined movements. A deepening conflict is therefore unavoidable, with the armed forces still undecided which side to support.

Much of the confusion so far, however, is attributable to the divisions and contradictions within the armed forces which have been governing this Central American republic since December, 1972. Early in 1973, the then chief of state, General Oswaldo Lopez Arellano, first proposed an agrarian reform with the twin aims of calming unrest in the countryside and winning the loyalty of the peasantry. In January this year, coinciding with the appointment of a group of progressive young Lieutenant-Colonels to key military posts, Gen. Lopez promulgated the agrarian reform law under which large and/or uncultivated land-holdings would be expropriated and converted into peasant co-operatives.

Then in April, when Gen. Lopez was overthrown after he was accused of accepting a bribe from the United Brands banana company, and replaced by Col. Juan Alberto Melgar Castro, the new regime seized the agrarian reform as its "revolutionary" banner.

Throughout this period, however, the Army has been using the land reform as a purely political instrument, paying little attention to actual developments in the countryside. Even advocates of the reform within the 25-member Supreme Council of the Armed Forces, which holds real power in the country, have tended to see the measure as a way of increasing the Government's control over the peasants rather than the peasants' control over their destiny. As a result, while the reform law is criticised by Conservatives for following a neo-Marxist model, it has also failed to spark the enthusiasm of the peasants.

It is of course difficult to understand how a strong peasant movement could have emerged in the poorest country of the American mainland where military governments and U.S. banana companies have seemingly shared power for the past 70 years.

But the answer probably lies in the role of the Catholic Church. Over the past 15 years, while Right-wing groups have concentrated their attention on the tiny Communist-run trade unions, progressive foreign priests and voluntary workers have quietly gone about "creating consciousness" among the peasantry, who comprise over 70 per cent. of Honduras' 2.9m. inhabitants. Hand-in-hand with the local Christian Democrat Party, these priests have unabashedly supported the National Peasants Union (UNC) to the *point where to-day it is the most* militant force in the countryside. And even the National Peasant *Association (ANACH),* which was formed by Gen. Lopez and claims to have 80,000 members against the UNC's 38,000, is no longer an assured ally of the Government. Ironically, despite their sufferings following last year's hurricane Fifi, the 36,000 banana workers have remained outside "the movement" for fear of losing their position as privileged rural workers.

Perhaps the only group to recognise the "threat" from the peasantry, albeit belatedly, has been the National Cattle-farmers' Federation (Fenagh), whose members have recently stepped up their attacks on "Communists" in the Government and the Catholic Church, and have even *mobilised* the *vocal* support of Gen. Anastasio Somoza Debayle, the Right-wing President of neighbouring Nicaragua. Noting little response from the Government, however, they have been preparing for direct conflicts by arming themselves and, wherever possible, "buying" the support of local military commanders.

This was essentially the situation when Col. Melgar took office on April 22 this year. Immediately, the UNC began pressing for an acceleration of the agrarian reform, with the particular demand that land be distributed before May 10 to give peasants time to plant for the winter harvest. The National Agrarian Institute (INA), which is headed by Lieut.-Col. Mario Maldonado, an ambitious Peru-trained officer, responded that a legal procedure had to be followed before more land could be handed out.

As a result, on May 18, the UNC began a series of actions by invading 128 private and state properties in 11 of the country's 18 departments. The Fenagh was furious and threatened direct action against the peasants unless the armed forces expelled them within 48 hours. The peasants withdrew, *about 130 of them* being arrested, and new negotiations were opened with the INA. *But on June 13, a frustrated* UNC resumed its pressure campaign by temporarily seizing key *roads and bridges throughout* the country. And on June 25, a peasant "hunger march" set off for the capital from five provincial centres.

> 'Unless the regime starts handing out land . . . new land invasions will be inevitable and further bloody conflicts likely.'

Within hours, all five columns were stopped by the army, but at Juticalpa, in the traditionally-lawless department of Olancho, *violence erupted. The peasant* training centre of Santa Clara, which had been sold to the UNC by the Church for a nominal price, was assaulted by armed civilians and soldiers and six people died. A further 15 people were arrested by the army, six of them, including an American priest, disappearing from the gaol a few hour later. A progressive Colombian priest and two young women were picked up that night as they drove towards Olancho, and they too disappeared.

Their nine mutilated bodies were found on July 18 in a well on the farm of a local cattle-rancher. Five days later, a wealthy baker in Juticalpa, who was believed to have been involved in the killings, was himself gunned down in a street there, purportedly by a peasant.

The reaction of the armed forces to these events has been confused. The UNC and the Church were at first blamed for "agitating" in the countryside, and most foreign priests and volunteers were detained and brought to Tegucigalpa. But a military commission appointed to investigate the killings held two military officers and two cattle-farmers directly responsible and blamed the Fenagh and the private sector for creating "a climate of chaos and confrontation" in the countryside. The Fenagh in turn angrily denied the charges and said the fault lay with the Government and the Church.

At first sight, then, the lines would now seem to be drawn between the Government and the private sector, but it is not clear whether the regime feels strong enough to confront the cattle-farmers. One fundamental problem is that decisions must be approved by the 25 members of the Supreme Council of the Armed Forces where a consensus has still to emerge. At one point last week, for example, Col. Melgar offered his resignation and the Supreme Council considered appointing a compromise three-man junta with representatives of the armed forces and the *National and* Liberal Parties. At the last minute—although in no way *definitively—it decided to retain* Col. Melgar. Evidently, some of the young lieutenant-colonels were tempted to opt out of the crisis by bringing back some civilians, but others are apparently determined to press on with the embryonic reform process.

The military *government* nevertheless has little room for movement. A severe drought and stunted crops are expected to bring hunger to the countryside in coming months and many peasants may be out of work and restless. Unless the regime starts handing out land, albeit in inefficient small holdings, new land invasions will be inevitable and further bloody conflicts likely. *Already there are signs* of a vendetta between peasants and landowners and the possibility of rural guerilla activities is becoming serious. In other words, the agrarian struggle is now out in the open and threatening to become anarchic. The longer the Government remains indecisive, the greater the vacuum of power and the probability of violence.

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OVERSEAS NEWS

Five leaders leave OAU summit after Lagos coup

KAMPALA, July 30.

FIVE AFRICAN heads of state left the Organisation of African Unity (OAU) summit to-day, now in its third day.

But officials from the OAU Secretariat said the departure rate was about normal and should not be connected with yesterday's military coup in Nigeria in which General Yakubu Gowon was deposed. The meeting is scheduled to end on Friday. General Gowon is still here following the coup but has not emerged from his hotel suite since noon yesterday.

Despite the statement by the OAU secretariat some conference sources said that the coup in Nigeria had generated a certain nervousness among the 19 heads of state. The officials did not name the heads of state who had left. President Ahmadou Ahidjo of the Cameroun is known to have left for home this morning, and informed sources said at the time that four other leaders were due to leave to-day.

Reuter

Life insurance equality for African blacks

CAPETOWN, July 30.

THE PRACTICE of basing life policy premium loads on racial and environmental factors in South Africa and Rhodesia is to be discontinued by the Legal and General Assurance Society from August 1.

Making the announcement, the society's assistant general manager, Mr. Colin Harris, said it was common practice in the insurance industry throughout southern Africa to assess premiums against the colour of a man's skin.

"During the past five or ten years the African people have advanced to a point where a significant percentage are now living in as good, and sometimes better, circumstances as whites.

"They therefore deserve the same terms and conditions as are available to whites and there is no longer any justification for race loadings based on environmental considerations." Legal and General is the first insurer to discontinue the practice, the statement says.

Thousand go through Canal

ISMAILIA, July 30.

NEARLY 1,000 ships have passed through the Suez Canal since it reopened to navigation seven weeks ago after eight years' closure. So far 969 vessels have travelled through the waterway without incident, according to Suez Canal Authority officials here.

The thousandth ship will go through the canal in the next few days and to mark the occasion, the Suez Canal Authority will present a symbolic gift and flowers to its captain.

Officials added that dredging operations would shortly give the canal a 38-foot draught capacity, while on Thursday convoys travelling in opposite directions would be allowed to pass through the waterway simultaneously. Since the reopening, north and southbound convoys have had to pass through alternately. Reuter

Delhi Parliament extended again

NEW DELHI, July 30.

THE INDIAN Government to-day announced a second extension of the emergency session of the two Houses of Parliament but gave no detailed reasons for the move.

Mr. Mehta, Minister of State for Home Affairs, told the Upper House, that it would now sit until August 5 to complete some "urgent Government business." He did not elaborate. The Lower Chamber would be in session until August 4.

The two Houses, summoned mainly to approve the national emergency proclaimed last month and to ratify tough laws under it, originally were to have ended a week-long session on Monday, but last week the session was extended by three days.

Reuter

Our New Delhi correspondent adds: Both Houses of India's Parliament have passed amendments to the Maintenance of Internal Security Act (MISA) under which people detained cannot seek their release through the courts. The new powers given to the Government, which proclaimed a state of emergency on June 26, apply to foreigners as well.

According to the Home Minister Brahamananda Reddy, the Government will now be able to take quick and effective measures against threats to internal security. In a speech to the Upper House, the Home Minister said that censorship was necessary to check "reactionaries" and other forces trying to disrupt political and economic activity in the country. He said the Government was forced to assume the new powers to check calumny, character assassination, rumour-mongering and ridicule. He said the emergency was primarily intended to galvanise people into action in a disciplined and purposeful way and to eliminate all disrupting forces coming in the wake of the new economic measures announced by Prime Minister Indira Gandhi recently.

● The hearing of a petition seeking access by friends and relatives and an end to solitary confinement for arrested opposition leader Morarji Desai was adjourned to-day until Friday by a judge of the Delhi High Court.

The adjournment was given in his chambers by Justice Prakash Waraim so that counsel for Mr. Desai's daughter-in-law, Mrs. Padma Desai, could complete his counter-affidavit, her counsel Mr. E. C. Aggarwal told newsmen.

He said that on July 25 a bench of two judges intervened when the petition was first presented to allow Mrs. Desai to visit her father-in-law. Mr. Aggarwal, who accompanied her to the Sohna water spa complex where Mr. Desai, 79-year-old former deputy prime minister, has been detained, said they saw him and he was in good health. The Government had allowed an earlier visit on July 16 by a lawyer, he added.

Reuter

Peking denounces 'Soviet infiltration'

BY OUR ASIA CORRESPONDENT

CHINA HAS launched a bitter attack on the Soviet Union, this time accusing Moscow of seeking to "swallow South East Asia at one go." Reports that the Kremlin is trying to establish land and naval bases in Vietnam have roused the old Chinese fears of Soviet encirclement

In a piece entitled "Reject the wolf at the front door, guard against the tiger at the back door." commentator Jen Ku-ping says that Moscow is trying hard to fill the vacuum left in South East Asia by the departing U.S. forces. In Chinese eyes Washington is the wolf, Moscow the tiger.

He claims that the Soviet Union is trying to establish control of the sea lanes from the Black Sea through the Indian and Pacific Oceans to the far east regions of the Soviet Union.

The commentator in the People's Daily says: "Soviet revisionist social imperialism, holding the signboard of socialism and wearing the cloak of a natural ally, has tried by every means to cajole South East Asian countries politically, and to infiltrate them economically."

China has some advice for the South East Asian nations—they must combine to fight off the Soviet threat, then they will be bound to win.

Underground 'cities'

BY A SPECIAL CORRESPONDENT

MEDIUM-SIZED provincial centres in strategic areas of China have their own amazing "underground cities." These are on almost as elaborate a scale as the main urban nerve centres. The underground cities duplicate all facilities above ground and are designed to keep millions alive in the event of either nuclear or conventional war.

The existence of the cities now being gradually revealed to foreigners makes it clear China would have a better chance than any other nation of surviving a global holocaust.

With other journalists visiting this north China city I was shown the remarkable complex of workshops and living quarters built underneath the Tatung cake factory. We were told every factory and apartment block in Tatung had similar underground facilities and they all linked up together. In the event of war the 470,000 inhabitants of Tatung could live underground for long periods and continue working. Alternatively the city could be evacuated by mass exodus through the network of tunnels to exits in the countryside.

Foreigners have now seen these underground worlds in Peking, Nanking, Shanghai and Talien. The reason for showing foreign correspondents Tatung cake factory's underground shelter was clearly to demonstrate just how far-reaching China's subterranean defences are.

Sydney Morning Herald

'Soviet arms offer to Jordan'

BEIRUT, July 30.

THE SOVIET Union has offered to meet all of Jordan's modern arms requirements, the pro-Libyan newspaper Al-Kifah Al-Arabi reported to-day.

Quoting a "diplomatic report" from Moscow, the newspaper said Soviet assurances of its preparedness to provide the arms were coupled with payment facilities which were regarded as the first of their kind in Soviet-Arab arms deals.

But King Hussein had not defined his attitude to the offer and apparently still wanted Americans arms, the paper said.

President Ford's Administration had proposed selling 14 Hawk missile batteries to Jordan but two days ago postponed the deal in the face of Congressional opposition.

King Hussein has said he will not accept a reduction in the purchase and has threatened to go elsewhere for the weapons.

Reuter

Israel seeks $100m. loan from IMF

By L. Daniel

JERUSALEM, July 30.

ISRAEL HAS asked the IMF for a loan of $100m. so as to prevent a fall in her foreign currency reserves below the red line.

The value of the reserves declined by $70m. during the past month, partly due to the fall in the dollar rate and partly because of the repayment of short-term debts.

The request was raised during the current visit here of a delegation headed by Mr. Geoffrey Taylor, deputy director of the Fund's European division.

The delegation is reported to have expressed the view that it would be better for Israel to abandon her linkage to the dollar and to link the Israel pound to a basket of currencies.

At present, the rate is a fixed I£6.12 to the dollar, while the rates for all other currencies fluctuate according to world market levels.

NIGERIA'S NEW RULER

'The Monty of the Mid-West'

BY BRIDGET BLOOM, AFRICA CORRESPONDENT

BRIGADIER MURTALA Mohammed, whom General Gowon, Nigeria's former Head of State, yesterday recognised as his successor, is a man moulded by two traditions. Like General Gowon, he was trained at Sandhurst. Unlike General Gowon he comes from an aristocratic family belonging to one of Nigeria's three major tribes. Both traditions are important in his makeup. Both could be vital when he begins to get to grips with the complex problems of ruling Nigeria.

Murtala Mohammed, a Moslem, was born in June 1937 into one of the most aristocratic families in Nigeria's far north, where power, influence and wealth—despite the changes wrought in the past few years—still tend to depend on family connection and lineage. Among his relatives were close supporters of the first Premier of the Northern Region, the Sardauna of Sokoto. His uncle, Alhaji Inua Wada, was Minister of Defence in the pre-1966 Federal Government and is still counted one of the most powerful establishment figures in the north.

Brig. Mohammed joined the army as an officer cadet in the mid 1950s, and was commissioned from Sandhurst in 1961. His rise to acting major, by the time of the first coup in January 1966, was orthodox if rapid. In 1962 he served with the Nigerian force in the Congo, and returned to become aide de camp to the Administrator of Western Nigeria. At the end of 1962, he joined the Nigerian Army Signals, which he was later to command.

Until this point, it was his British army training that was the paramount influence: there was little, at least to acquaintances, to suggest that he was anything but the orthodox officer destined for a traditional army life. But as with so many of his colleagues, the coup of January 1966 (with which, being a northener he had nothing to do) quickly catapulted him into playing an important and often controversial role in Nigerian political and military life.

The full history of the counter coup of July 1966, from which General Gowon finally emerged as a compromise leader, will probably never be told. What is certain however is that, if Murtala Mohammed was not a coup leader (at the beginning it was a mutiny rather than a planned coup) he quickly emerged as the key spokesman for the northern officers and men whose disaffection with the Ibo Head of State, General Ironsi, sparked the crisis that rapidly deteriorated into civil war.

The initial demand of the mutineers on July 19, 1966 was for the secession of the north from the federation. What is equally important now is that the eventual compromise which put General Gowon at the head of a tenuously united Nigeria masked a struggle for power between Gowon and Mohammed. It is from this incident that Murtala Mohammed gained a reputation in much of Nigeria as a protagonist of northern and Muslim interests, even though he subsequently became one of the important commanders of the federal force which fought to keep Nigeria one country.

Brigadier Mohammed in fact was one of the earliest advocates of a pre-emptive invasion of the East, suggesting such a step a full seven months before the outbreak of war. His role during the war however was equally controversial, for in early August 1967, following the Biafran invasion of the Mid-West, he was put in charge of a hastily recruited division whose task was to prevent what appeared at the time to be an imminent march on Lagos itself by Biafran troops.

So successfully did Brig. Mohammed acquit himself at first—holding the line at the Mid-West border with the West, not much more than 100 miles from Lagos, and then pushing on to recapture the Mid-West capital of Benin—that he was popularly dubbed "the Monty of the Mid West." But he failed to follow through his conquests and after a costly bombardment of Onitsha, on the Biafran side of the River Niger, and two "attempts to take the town frontally," Brig. Mohammed retired; no one knows how many men were lost, but the action was considered one of the most important federal defeats in the war.

Mohammed's fortunes declined following the defeat. He was retired from command of the Second Division, and returned to Signals. Popular wisdom has several times since linked his name with rumours of putches against General Gowon's leadership, which, whether founded or not, certainly suggested that he did not usually see eye to eye with his Commander in Chief.

Brig. Mohammed, despite his similar training, is a man of very different stamp to General Gowon. "Fiery," "Strong willed" and "impetuous" are among the adjectives which were used to describe him during the war, when he proved a tough and often ruthless soldier.

Australia to raise aviation fuel price

BY KEN RANDALL

CANBERRA, July 30.

THE AUSTRALIAN Government is going ahead with plans to push the price of aviation jet fuel up to world parity levels, but intends to trade-off the resulting higher profits to the oil companies, against domestic petrol prices.

Because of the low cost of Australian crude oil, the jet fuel is currently priced at 14.15 cents a gallon, compared with a world parity of about 35 cents.

The Minister for Minerals and Energy, Mr. Rex Connor, announced his intention last year of forcing international airlines to pay the world rate because he regarded the fuel as an export which should return the general international price like all others. In practice, however, this would have meant either huge windfall profits to the producers or the need to claim the differential as a government excise. All the airlines are supplied on a tender-and-contract basis.

The Government has now revealed that it has been discussing with the prices justification tribunal an approach which would mean that the increased aviation fuel profits were taken into account in considering applications for higher prices for petrol—and possibly for other fuels like domestic heating oil and LPG.

The Government cannot direct the tribunal but it is understood to have received a sympathetic hearing for its viewpoint. About $A40m. is expected to be involved initially in the higher prices for jet fuel. Whatever the effect on domestic fuels, it seems certain to mean an increase of about 3.5 per cent. for outward international flights.

Soldiers held in Lebanon

BEIRUT, July 30

Twelve Lebanese soldiers have been arrested on charges of being involved in the banned Arab Communist Organisation, judicial sources here said to-day. They said 13 other soldiers had been detained on suspicion of giving away secret information.

The sources added that some of the soldiers had been questioned about recent explosions at two military barracks in Beirut and in the southern port of Sidon.

Reuter

EUROPEAN NEWS

Spanish army officers arrested

BY ROGER MATTHEWS

MADRID, July 30.

THE ARREST of an army major and six captains yesterday for unspecified but undoubtedly political reasons has cast further doubts on the much-vaunted unity of the Spanish armed forces.

The seven men, all of whom came under the command of Lieutenant-General Angel Campano Lopez, the Captain-General of Spain's First Military Region based on Madrid, are understood to be closely interested in the political evolution of the country but are without any party affiliation.

According to a brief statement from the Captain-General's office, a special military judge has been appointed to investigate fully the activities of the men.

Military sources said here to-day that the arrests had brought into the open the growing clash between officers of the Civil War era and those commissioned a decade or two later. The growing clamour within the country for the early resignation of General Franco, the 82-year-old Head of State, is clearly reflected among some sections of the military who feel more closely aligned with his chosen successor, Prince Juan Carlos.

Since the Burgos trial in 1970, when six members of the Basque separatist organisation ETA were saved from the death penalty only by an international outcry, certain officers have become increasingly restless about their functions within the State. Apart from professional frustrations they do not like the military being used to stage courts martial for what are civilian political offences.

Groups of officers began to hold informal seminars and discussions about broadly economic and political matters while being careful to avoid the accusation that they were in any political party. This has been known to the relevant high commands in all of Spain's military regions.

However, until now the vast majority of these activities have been tolerated.

● Military sources said late last night that at least another seven officers had been detained and that there were growing fears of further arrests.

Fiat chief warns of takeover by State

By Anthony Robinson

MILAN, July 30.

FIAT, one of the few European car groups to remain a private company, faces the inevitable prospect of a State take-over of its car interests if the IRI controlled Alfa Romeo company continues to sell its models below cost and if the Italian trade unions refuse to accept the need for Fiat to become competitive with foreign manufacturers, the managing director, Sig. Umberto Agnelli, warned to-day in an interview with the weekly magazine Panorama.

"Abroad we already have to compete with two vast state concerns, Renault and British Leyland, who can rely on enormous public funds. If we have to compete internally with Alfa Romeo models sold at below cost price as well how can we hope to save Fiat as a private company?" he asked.

Apart from unfair competition Sig. Agnelli also complained about the "demagogic attitudes" struck by certain middle-rank trade union officials at the shop-steward level who thought in the same terms as various extreme Left-wing extra-Parliamentary groups. There have been 2,100 strikes at Fiat in the first six months of 1975, he said, adding that productivity in Fiat's Italian plants was between 20 and 25 per cent. below that of its major West German competitors. "But when we try to convince shop stewards of the need to keep our costs in line with those of our competitors they refuse to listen," he said.

Returning to competition from Alfa Romeo, Sig. Agnelli said he was particularly concerned about the Alfa Sud model, which is the most direct competitor to Fiat models. But he promised that if the IRI decided that Alfa must return to the logic of competition and become a profitable operation not a subsidised one then Fiat would be prepared to co-operate with it. Under these circumstances Fiat would have the possibility of survival on its own resources, he added.

Sig. Agnelli also said in the interview that Fiat was pressing ahead with its overall plans to create a holding company structure. This is a process which would make it technically possible for the sale to IRI of Fiat's loss-making car interests while leaving the rest of its empire intact.

Innocenti talks on labour cuts

By Our Own Correspondent

MILAN, July 30.

LEYLAND INNOCENTI, the wholly owned Italian subsidiary of British Leyland, to-day officially confirmed negotiations with the Government and trade unions aimed at reducing the labour force at its Milan plant from 4,500 to 3,000 by the start of next year.

Mr. Percy Plant, who recently replaced Sig. Giovanni Bella as managing director, said that Innocenti would also revert to one-shift working after the summer holidays in place of the former two shifts. This is to keep production down to an annual rate of 40,000 units in view of unsold stocks of 14,000 and depressed market conditions.

Leyland Innocenti made a L51m. loss (about £35,000) in the nine months ending September 30, 1974. But losses during the intervening period have been much higher. Mr. Plant made clear that Leyland was prepared to give a two-year guarantee to continue production at Innocenti only if the unions agreed to lay-offs and production was trimmed.

£2.5bn. reflation plan unveiled

ROME, July 30

THE ITALIAN Government to-day unveiled, as expected, a Lire3,500bn. (£2.5bn.) emergency reflation package concentrated in the fields of housing, hospitals, ports, agriculture, public transport, airports, ship-building, and the development of the South.

Deputy Prime Minister Ugo La Malfa told the Economic Commission of the Chamber of Deputies that the Government realised that the plan was not the whole answer to Italy's economic problems and that long and medium-term plans were also needed. However, he said, "this task can be tackled only if, with the collaboration of everyone, we avoid in the immediate term the threat of collapse which is hanging over our economy."

Reuter

BANK OF ITALY SUCCESSION

By Our Own Correspondent

MILAN, July 30.

THE GOVERNING body of the Bank of Italy to-day formally acknowledged the resignation of Sig. Guido Carli as Governor of the central bank with effect from August 19 and nominated Sig. Paolo Baffi, the current director-general as his successor.

Deputy director-general Rinaldo Ossola has been appointed to take Sig. Baffi's post as director-general and Sig. Mario Ercolani, currently the director in charge of the bank's foreign exchange operations, will replace Sig. Ossola as deputy director-general.

HELSINKI SECURITY CONFERENCE

Mr. Wilson opens summit with plea for joint effort

BY WILLIAM DULLFORCE

HELSINKI, July 30.

BRITISH Prime Minister Harold Wilson to-day described the document on European security and co-operation, to be signed hereby 35 nations, as "a moral commitment to be ignored at our mutual peril and the start of a new chapter in the history of Europe."

In the lead-off speech to the concluding Conference on Security and Co-operation in Europe (CSCE) Mr. Wilson said it so far transcended any previous European meeting that it made the legendary 1814 Congress of Vienna and the 1878 Congress of Berlin "seem like well-dressed tea parties."

Using carefully balanced phrases the British leader invited the East European countries to join Britain and the other EEC countries in working out solutions to the energy and commodity problems dividing the industrialised nations from the Third World developing countries, and indicated British support for a world disarmament conference, provided that it was attended by all nuclear powers, including China.

At the same time Mr. Wilson issued a muted warning against further Czechoslovakia-style Soviet intervention in other East European States and reaffirmed Four-Power rights in Berlin. Within the framework established by the CSCE documents no excuse could henceforth be found for any participating State "attempting to prevent any other from exercising its sovereign rights or to intervene in its internal affairs."

Detente meant little if not reflected in people's daily lives, and there was no reason why Europeans should not be allowed to marry whom they wanted, hear and read what they wanted, or travel further than the provisions of the CSCE documents allowed. He defined detente as the spirit of "live and let live."

The Premier recalled the British initiative for the stabilisation of commodity prices put forward at the Commonwealth conference in May, which will be considered at the United Nations special session this autumn, and the Lomé Agreement between the EEC and 46 African, Pacific and Caribbean countries.

The CSCE documents represented only a limited forward step on economic co-operation and the CSCE nations needed to work more closely on economic co-operation worldwide, he said.

The Prime Minister struck a more sceptical note about hopes that the new political framework created by the CSCE would make it easier to lower the level of military confrontation, but reiterated Britain's determination to make a success of the Vienna negotiations for mutual balanced force reductions (MBFR).

EEC and Greece decide to strengthen links

BY REGINALD DALE

BRUSSELS, July 30.

THE EEC and Greece are to press ahead with developing their Association Agreement while awaiting the outcome of the Greek request for full Community membership, officially tabled in Brussels last month.

This was the main conclusion of the Ministerial EEC-Greece Association Council that met in Athens earlier this week for the first time since the 1967 coup d'etat.

Community officials here believe that it will be at least three years before Greece can become a full EEC member, even assuming that all goes well in the entry negotiations. In the meantime, the aim is to strengthen links already existing under the Association Agreement that came into force in November 1962—particularly in the agricultural and financial sectors.

Twenty rioters sentenced

BY OUR OWN CORRESPONDENT

ATHENS, July 30.

TWENTY people arrested during last Wednesday's violent rioting in Athens were to-day sentenced to prison terms ranging from 11 months to three years. They were charged with causing bodily harm, disturbing peace and order, insulting the authorities, resisting arrest and damaging property.

The Court of Misdemeanours acquitted another 24 and referred another two to a juvenile court.

The Government has blamed the rioting on extremist elements whose aim was to create a climate of anarchy in view of the trial of the former junta leaders. The stiff sentences are obviously meant to deter further incidents of the kind.

Police officers who gave evidence in court to-day said those in the dock were not the instigators of the rioting in which 111 people were injured. Police are still investigating another 96 people under arrest to determine whether they should be brought to trial. Those convicted to-day can appeal against their sentences.

Junta trial Next page

Socialists to meet Soares

By Our Own Correspondent

HELSINKI, July 30.

WEST EUROPEAN Social-Democrat leaders, including British Prime Minister Harold Wilson, will gather in Stockholm on Saturday immediately after the Helsinki Conference on European Security and Co-operation (CSCE) for a one-day meeting with Portuguese Socialist Party chief Mario Soares.

The meetings, it is hoped, will reconcile differences among the West European parties on the attitude to take towards Portugal and result in a co-ordinated policy.

The meeting is especially significant in that Portugal is becoming something of a test of the CSCE spirit and of Soviet intentions. It will also bring together the heads of government of seven West European countries, including three from the EEC.

Invitations were sent out last week after a telephone conversation between Austrian Chancellor Bruno Kreisky and Mr. Palme. Mr. Soares is due to arrive in Stockholm on Friday evening.

Repression warning by Copcon general

By Jane Bergerol

LISBON, July 30.

AS THE REVOLUTIONARY Council met here in full to-day to legalise Portugal's new leadership troika, its missing member, General Otelo Saraiva de Carvalho, chief of Copcon security forces, returned from an eight-day official visit to Cuba and warned the military are ready "to start along a road of severe repression" of counter-revolutionary violence.

General Otelo, obviously impressed by his Cuban visit, appealed for unity behind the revolution and spoke of Cuba's "mobilisation without hatred, without violence and without party divisions." He also attacked the Socialist party as "the strongest enemy of the Left" and said he intended to have "a serious talk" with its leader, Dr. Mario Soares.

However, questioned about violent attacks against the Communist party in his absence—around a score of Communist offices have now been attacked by angry mobs—he replied firmly "I now think in the short term we should put counter-revolutionaries into the bull-ring." This was a reference to an earlier declaration, in June, when he had said "sometimes I think it would have been better in April 1974 for us to have put the counter-revolutionaries' backs against the wall, or ordered them to the bullring in hundreds or thousands, eliminating them at birth." There were indications that Communist party leaders were disturbed at the General's remarks.

This afternoon, the Supreme Revolutionary Council meeting in Belem presidential palace, gathered all 30 officers including leading dissidents who were widely expected to make a final protest at the new troika, but be outvoted when it came to putting forward legislation to constitutionalise the three Generals' power.

Whether they might thereafter resign will depend largely on other officers. Some are reportedly anxious to preserve the Armed Forces Movement's unity at all costs and prevent dissidents, led by the prestigious Foreign Minister Major Melo Antunes, from resigning.

● An encouraging sign of a brighter economic future for Portugal came to-day with the announcement that the country's June balance of payments was in surplus for the first time since the revolution, at about £8.5m, following drastic import surcharges imposed in May and a small increase in emigrants' remittances and tourism.

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EUROPEAN NEWS

THE FATE OF U.S. BASES IN TURKEY

The Nato connection

BY DAVID BUCHAN

THE OLD footing on which the Americans built up a formidable military presence in Turkey is gone forever. This was most clearly spelled out on Tuesday by the Turkish ambassador to Nato to the other allied ambassadors in Brussels.

Mr. Orhan Eralp said that a new agreement would have to be negotiated following the suspension on Friday by Ankara of the 1969 agreement under which the U.S. maintained some 25 installations in the country. Any new agreement would, Mr. Eralp said, have to free Turkey from "the whims and caprices of ethnic power groups in the House of Representatives"—a reference to the Greek lobby that has frustrated the Ford Administration's attempts to lift the U.S. arms ban to Turkey.

Ankara is calling for the new framework for the bases to be a Nato one, though Nato will not be allowed the measure of exclusive control over the installations that the U.S. has enjoyed. At the moment the Turks have suspended all operations from the U.S. bases. If and when they are reactivated, the most sensitive question will be the information gained from the American surveillance equipment in Turkey. The Turks will want to channel this through Nato, where the U.S. could gain access to it as any other ally might. But the U.S. may feel that this is too risky at a time of grave doubts about some allies like Portugal. The Turks may not be able to handle the complex electronics, and the Pentagon might not want their classified secrets filtered through Turkish hands. Many of these may indeed have already been passed through the shredding machines.

The present curtailment of U.S. operations is sweeping. The Turks are now in command of all the 25 bases or stations throughout the country. Though some of the smaller stations may be still working under Turkish control, military and intelligence operations at the three main U.S. bases—Incirli in south east Turkey, Karamursel near Istanbul and Beyabasi near Ankara—and the important radar station at Sinop on the Black Sea have ceased to work. Only at Incirli, which was the biggest U.S. base in the country, has the U.S. been granted a concession: that a U.S. Phantom fighter squadron based there and with a nuclear capability may pursue "purely Nato" functions. Left totally untouched is the Izmir base, which has an incontrovertible Nato character as it houses the command posts for Nato's Allied Land Forces Southeastern Europe and the Sixth Allied Tactical Air Force.

Although Turkey's value to Nato is its large armed forces and the fact that it completes the eastern end of the alliance's southern flank, its importance to the U.S. is as a window and listening post on the Soviet Union. Apart from the slender neck of northern Norway, Nato's only land border with the Soviet Union is in Turkey. The U.S. has used Turkey not only as a vital chink in its special missile early warning system but also to keep tabs on the development of Russian nuclear technology.

Turkey used to be home to American U-2s before their reconnaissance role was supplanted by satellites. Although these spy satellites are launched in the U.S., a sharper picture and better reception can be obtained if the satellites are monitored close to whatever is being spied upon. However, the earth's curvature is not so sharp that it would totally prevent satellites from being monitored in, say, Italy if the Americans had to close down permanently in Turkey.

From Turkey, American monitors concentrate on two targets: first, the Tyuratam missile site in Soviet Kazakhstan where the Russians test fire their really long range missiles into the Pacific Ocean; second, Nikolayev on the Black Sea which along with neighbouring Odessa is one of the two main Russian naval shipyards. In particular, it is where the Russians built their first aircraft carrier, the Kiev, and where the second, the Minsk, is now under construction. Information on the shipyards, and the Black Sea fleet too, is complemented by U.S. radar at Sinop.

What cannot be replaced by a simple shift to Italy or elsewhere is the radar and radio network that acts as a sleuth on Russian air, radio and shipping traffic to the Mediterranean and the Middle East. Thus, the destination and rough size of Russian arms shipments are deciphered before they reach the Egyptian, Syrian or Iraqi frontlines. What intelligence Washington gets of Arab communications comes from Turkish listening posts.

Turkey also spans the Dardanelles, and although the number of Russian shipping passing through the narrows to the Mediterranean is easy enough for the Turks to clock off, the deck cargoes and configuration of such shipping often needs skilled interpretation—which, the Americans are in a position to provide. They have, after all, been doing that sort of work since their 1962 Cuban blockade.

Some Turks may argue that a decreased American presence pays the dividend of reducing the risk to Turkey in a general war. But the U.S. arms ban is an evident loss; 90 per cent. of Turkish equipment is American. The $3bn. that the U.S. has given Turkey since the early 1950s has had to be more directed at providing the huge Turkish armed services (the army alone is half a million strong) with quantity rather than quality. This obsolescence is now serious. As an example, the Pentagon proposed in January, just before Congress passed the arms ban, that Ankara be given $230m. in "modernisation kits" for some 900 American made M-48 tanks. Turkey's M-47 tanks are even older; and neither are a match for the more modern Soviet T range of tanks.

Most of the American-supplied guns are of the mid-1950s generation. Turkey has nothing in the way of surface-to-air missiles, a serious lack for a modern army. Although the air force is fairly well equipped, the navy mostly comprises "hand-me-downs" from the U.S. Ankara now needs to modernise its weapon inventory on a fairly broad front.

With the U.S. arms ban in February, it was natural that Ankara should turn to its West European allies instead. What it has achieved there has, ironically, been with the connivance of the Ford Administration, quietly eager to undo what it sees as a misguided act of Congress. Washington has agreed to Italy selling 18 F-104 Starfighters, with another 18 to come, to Turkey; while in March it was instrumental in getting Bonn to lift its brief arms ban on Turkey. Ankara has a submarine and a destroyer on order from West Germany.

That is the visible part. It is extremely probable that the Turkish air force has been getting a secret flow of spare parts from the Italians and Germans who both have American-equipped air forces—or it would have been grounded months ago. The Turks have had talks with the British Aircraft Corporation about its Rapier surface-to-air missile system and the Anglo-French Jaguar of which BAC is the co-producer. The American Administration let it be known that it would be happy to see a BAC deal go through. But while a Cyprus settlement remains elusive, the British Government is most unlikely to agree. Although BAC is the appointed marketer of the Jaguar, the Turks might be able to buy it through France, and this option may have been raised by the Turkish Foreign Minister who was in Paris this week.

Turkey has lately played a more active role in Arab and Islamic affairs, and voted the resolution to expel Israel from the UN at last week's Islamic conference in Jeddah. But it has not taken up a Libyan offer of a few Mirages. Turkey has a treaty connection through Cento with Iran, but there are no signs that the Shah is willing to chip in for the sake of western defence. Turkey's basic problem is that it is now extremely strapped for foreign exchange; its reserves have fallen by half in the last year. The service chiefs have recently asked that arms purchases be given absolute foreign exchange priority.

To an extent, the Turks have turned to their own resources. The 1975-76 defence budget at $2.174bn. is double that of last year. Capital spending on the services started to increase in 1973, but only entered high gear this spring.

The Turks have yet to find a substitute either domestically or in Western Europe for U.S. arms. But Turkey has repeatedly emphasised its NATO connection, and on Tuesday again reminded its European allies of its "arms gap" problem. Certainly, there seems little substance to reports that Ankara might move towards Moscow. In 1972 President Podgorny, visiting Ankara, offered a non-aggression pact. The Turks rebuffed him then and they would certainly do so again—although in June the two countries signed a $700m. credit deal, their biggest ever, with a communique of "friendliness" and "neighbourliness." But there is no reason to disbelieve Prime Minister Demirel's remarks earlier this month that Turkey will "not be under the hegemony and protection of the U.S., nor will it be lured into the Soviet orbit."

W. Germans hopeful of gold agreement

BY NICHOLAS COLCHESTER BONN, July 30.

AFTER THREE summit meetings inside the last week, the West Germany monetary authorities are now hopeful that agreement can be reached in Washington at the end of August on the use of gold by central banks, on the re-allocation of quotas contributed to the International Monetary Fund and on the deployment of the IMF's gold reserves.

The key to such an agreement, the State Secretary in the West German Finance Ministry, Herr Karl Otto Poehl, explained yesterday, was that solution of these questions be divorced from the currently insoluble problem of reshaping the world monetary system.

One of the aims of re-deploying IMF gold is to use part of it to provide credit to those developing countries that face particular problems as a result of the increase in oil and raw material prices. A further use could be to finance a scheme to stabilise the export earnings of raw material exporting countries.

With the possibility of another oil price confrontation looming, West Germany is understandably anxious to get the oil producers more involved in the IMF through the raising of their quotas and to see the fund's possibilities angled more in favour of the developing nations.

EEC finance ministers are to meet in Venice towards the end of August to prepare a common stance at the meeting of the interim committee of the IMF on August 31. Herr Poehl says that the positions of the Nine over the question of quotas are close, that they have already developed a common line on the gold questions, and that there is "hope" that they will agree to separate these issues from the much more difficult one of establishing a re-designed currency system.

It has already been agreed that gold be relieved of its formal role in the monetary system. The question now is the degree to which national monetary authorities will be allowed to use their market-priced gold in their transactions and in building their reserves. The Europeans now want complete freedom within a "global maximum" of gold holdings to be established by the IMF.

The U.S., which wants to discourage the use of gold in international currency transactions, would like to apply further restrictions including gold limits for individual monetary authorities.

Herr Poehl did not envisage much difficulty in agreeing on new IMF quotas which will allow a 33.6 per cent. increase in the IMF's resources. This will involve a doubling of the contributed quota and voting rights of the major oil producing countries. Such a development would considerably reduce the voting power of the U.S., which would only acquiese to this if the percentage vote needed for veto is reduced from 20 to 15 per cent.

There also appears to be every prospect of agreement on the use of the IMF's 150m. ounces of gold worth $25bn. at the current market price. The developing consensus here is that a sixth of this gold should be used by the IMF to create new credit facilities for hard-hit developing countries, but another sixth should be returned to the original contributors at the official price of 35 SDRs per ounce, and that the rest should be kept by the IMF.

Constantine 'could have crushed the coup'

BY OUR OWN CORRESPONDENT ATHENS, July 30.

DEPOSED King Constantine could have crushed the April, 1967, army coup had he not feared the possibility of bloodshed, former Premier Panayotis Kanellopoulos to-day told the civil High Court trying 20 leading members of the fallen military junta.

Mr. Kanellopoulos, 73, was Prime Minister when the group of officers being tried staged the coup that abolished parliamentary rule. The defendants, who include former President George Papadopoulos, are charged with high treason and insurrection, offences which carry a possible death penalty.

The first of 65 prosecution witnesses to give evidence, Mr. Kanellopoulos refuted allegations the armed forces intervened in 1967 to avert the danger of a Communist takeover. He said no such danger existed and that the coup was the work of a handful of officers (not the armed forces) who usurped power for their own ambitions.

Shooting down another defence argument that the revolution had prevailed and created its own legal status, Mr. Kanellopoulos said the junta had remained in power for seven years only by suppressing the civil liberties of the Greeks by force of arms and deporting and torturing those who opposed it.

GENERAL APPOINTMENTS ARE CONTINUED TODAY ON PAGE 21, TOGETHER WITH ACCOUNTANCY APPOINTMENTS

COMPANY NOTICES

NOTICE
City of Oslo 1972-1987 $6\frac{3}{4}\%$
Lux. Fr. 800,000,000 external loan

We advise that the City of Oslo has satisfied the Lux. Francs 25,000,000 Sinking Fund payment due September 25, 1975 in full by credit taken for debentures purchased by the City.
Amount outstanding: Lux. Fr. 725,000,000.—
The Fiscal Agent
KREDIETBANK
S.A. Luxembourgeoise
Luxembourg,
July 31, 1975.

CENTENARY FUND S.A.
NOTICE TO SHAREHOLDERS
The accounts of Centenary Fund S.A. for the quarter to 31st March, 1975 are now ready and can be obtained on application, to either the investment advisers:
F. & C. Management Limited,
1-2, Laurence Pountney Hill,
London, EC4R 0BA.
or to the registered office:
Banque Generale du Luxembourg,
14 rue Aldringen,
Luxembourg.

ROYSTON INDUSTRIES LIMITED
NOTICE IS HEREBY GIVEN pursuant to section 300 of the Companies Act, 1948, the Final Meetings of Members and Creditors of the above named Company will be held at the offices of Spicer and Pegler, St. Mary Axe House, 56/60 St. Mary Axe, London EC3A 8BJ, on Friday 5th September 1975, at 12 noon and 12.15 p.m. respectively.
R. G. HAWKES,
Liquidator.
Dated 4th July, 1975.

PORTUGUESE GOVERNMENT
3 PER CENT. EXTERNAL DEBT OF 1902
1st and 2nd SERIES BONDS
FOR INFORMATION ONLY
Notice is hereby given that 1,955 Bonds of 3 per cent. 1st Series amounting to £39,100.00, together with 228 Bonds of the 2nd Series amounting to £4,537.20 have been BOUGHT by the Junta do Credito Publico in Lisbon for the Sinking Fund of 30th June 1975, in accordance with the Law of the 14th May 1902, and the Decree of the 9th August of the same year.
A list of the numbers of Bonds purchased and duly cancelled can be inspected at the Securities Office Counter of Baring Brothers & Co., Limited, 88 Leadenhall Street, London EC3A 3DT.

THE NORWEGIAN STATE AND MUNICIPAL POWER CONSORTIUM
SIRA-KVINA KRAFTSELSKAP
$7\frac{1}{4}\%$ Sterling/Deutsche Mark Bonds 1983
S. G. WARBURG & CO. LTD. announce that Bonds for a nominal value of £460,000 have been purchased for redemption on 1st September 1975.
The following Bonds, drawn for redemption on 1st September, 1973 have not as yet been presented for payment. £100 Bonds No's. 1429, and 4350
30, Gresham Street,
London, EC2P 2EB. 31st July, 1975.

HOME NEWS

Gas Corporation loses £90m. a year on fixed-price deal with ICI

BY PETER FOSTER

THE British Gas Corporation lost £90m. last year on a fixed-price contract with Imperial Chemical Industries, Mr. Anthony Wedgwood Benn, the Energy Secretary, disclosed yesterday.

Mr. Benn, when pressed for details by the Commons Select Committee on the nationalised industries, said that under the 15-year agreement, signed in 1969, ICI was currently paying £20m. annually for supplies of gas for which the present price was £110m. Overall, British Gas was losing some £180m. annually as a result of fixed-price contracts.

Although strongly urged to do so, the Energy Secretary refused to comment on the agreement, pointing out that the management decisions of the Corporation were not open to the Minister. He did, however, hint that there might be a review into the length and nature of long-term contracts in the light of the ICI case, commenting that there might be instances when the Government would have to step in on escalation clauses.

In the first public airing of his views since he became Energy Secretary, Mr. Benn said he had doubts about the ability of the energy industries to return to a "fully self-sustaining" economic framework. He stressed that the phasing out of subsidies for gas and electricity was "only a very crude return to economic pricing."

Change?

Although he emphasised that he did not wish to weaken the impact of the statement made by Mr. Denis Healey last November when the Chancellor expressed a commitment to "realistic" pricing in the energy industries, Mr. Benn's remarks may be interpreted in some quarters as foreshadowing modifications of the market pricing policy promised by the Government.

The chiefs of the gas and electricity industries will be studying Mr. Benn's remarks in some detail. On Tuesday, Sir Peter Menzies, chairman of the Electricity Council, emphasised that the Council's £258m. loss last year was largely due to Government interference in pricing. He stressed that any return to policies of price restraint would represent the "road to financial disaster."

Nevertheless, Mr. Benn pointed out yesterday that factors beyond commercial pricing would have to be taken into account, including the likely impact of such pricing on the anti-inflation programme.

Drastic

He also noted that the introduction of inflation accounting could, in pricing terms, have as great an effect as "a major oil price increase."

Another key issue concerned the merits of indigenous versus imported fuels. In a key passage Mr. Benn said he was inclined to agree with the view that "the burning of oil may turn out to be something that we may not wish to do."

He expected to see coal continue to play "a very major role" and said he would like to see coal's export potential developed, which could mean re-opening the depot at the Humberside port of Immingham.

Energy chiefs will probably be relieved that Mr. Benn seemed to come down against tinkering with tariffs on social grounds, which the Electricity Council criticised earlier this week. Mr. Benn said this sort of "internal Robin Hood exercise" merely meant that some consumers would be paying for others. Help should come through social agencies.

He ended by expressing concern about the difficulties facing poorer electricity consumers this coming winter, adding that he would be writing to the Electricity Council on the matter and was requesting the social services to keep a special watch on the question of disconnections.

Deficit of £44m. on higher sales last year

BY ADRIAN HAMILTON

THE GAS INDUSTRY lost more than £40m. for the second successive year in 1974-75, despite an increase of 12.6 per cent. in gas sales, according to the British Gas Corporation's annual report published yesterday.

Describing the final loss of £44.2m. as "disappointing," in view of the strong demand from all sectors, Sir Arthur Hetherington, the corporation's chairman, ascribed it mainly to rapidly escalating costs of equipment and materials and to continuous Government intervention in pricing policy.

A further price increase—now granted from October 1—would be necessary, he said, to restore the industry to profitability in the current financial year.

Aside from this frustrating financial situation, intensified by the high interest rates the industry had to pay last year on its borrowing, the Corporation nonetheless reported another year of steady growth in sales and natural gas supplies.

Total gas sales over the year increased from 11.5bn. therms in 1973-74 to 13bn. therms in the last financial year. Turnover rose from £970m. to over £1bn. for the first time, at £1.2bn. in 1974-75.

In spite of the generally depressed state of the energy market last year, the gas industry encountered increased demand in almost all sectors, with domestic gas sales rising from 5bn. therms to 5.7bn. therms in 1974-75, sales to industry increasing from 5.3bn. therms to 5.9bn. and sales in the "commercial market" rising from 1.2bn. to 1.3bn. The report suggests that there were signs of lower economic activity and higher prices which curtailed the growth in demand in the commercial and industrial sectors.

Giving for the first time estimates of the place of gas in the overall energy market, the report states that natural gas now supplies some 16 per cent. of total U.K. primary energy, and a far larger proportion — around a quarter—in terms of heat supplied to final users, excluding fuel usage for non-heat purposes, transport and the conversion of primary into secondary fuels.

In the domestic sector gas, according to the report, has recovered its position in the cooking market and has maintained its predominance in the central heating field with an overall market share in the domestic sector last year of 36 per cent.

The main problems, unlike other fuels, appear to be less those of demand than of supply. Although new contracts to increase total supplies by some 50 per cent. have now been agreed for the Frigg and Brent Fields, first supplies from Frigg have now been delayed by at least a year and are not now expected until the second half of 1977. The first supplies from Brent are not scheduled to flow until the first half of 1979.

Meanwhile, the report comments, the industry will get some increase in supply from the small Rough Field in the South and has embarked on a major programme to convert former town gas plants to make substitute natural gas.

Plants with an output of 84m. cu. ft. a day have already been converted to this end and the conversion of plants to produce a further 359m. cu. ft. a day have been approved, the report reveals.

On finances, the report states that capital expenditure last year nearly doubled to £238.7m., most of which was raised from internal funds.

Financial		1974/75 £ million		1973/74 £ million
Turnover		1,204.4		970.4
Trading profit		103.0		104.5
Interest payable		160.2		143.9
Profit (Loss) before compensation		(42.3)		(41.5)
Capital expenditure		216 1		129.0
Average net assets		2,146.7		2,079.0
Return on average net assets				
—interest	7.5%		7.4%	
—profit/(loss)	(2.0%)		(2.0%)	
		5.5%		5.4%
General				
Gas sold and used (millions of therms)		13,019		11,570
Average price realised (pence per therm)		7.85		7.02
Number of customers at end of year		13,682,000		13,559,000
Number of customers converted at end of year		11,880,000		10,206,000
Miles of main in use at end of year		130,100		128,800
Salaries and wages paid during year (£ million)		257.0		211.1
Average numbers employed during year		102,500		103,400

POST OFFICE ANNUAL REPORT

Economies as losses increase

THE Post Office was hit badly by inflation in the year to March and costs rose by £376m., or 26 per cent. As a result the P.O. showed an increased loss for the year of £306.7m. compared with one of £128.1m. in the previous 12 months.

The annual report says that as the year ended, costs were rising faster still, while business slackened as a consequence of the prevailing economic climate and, as a reaction to higher prices. "The search for economies was intensified throughout the organisation and an examination of possible restrictions of the postal service was set in train.

"In short, the Post Office was preparing for the fundamental appraisals and decisions that will have to be taken unless inflation abates quickly and significantly."

Of the P.O. operations, only the Giro and Data Processing produced profits last year. The telecommunications loss increased from £61.4m. to £194.6m. on income up from £1.16bn. to £1.39bn.

The loss from posts was up from £57.5m. to £109.2m. while income increased from £631.4m. to £773.2m.

The Giro turned a £6.5m. loss into a £100,000 profit after its income rose from £19.1m. to £24.6m. Remittance Services' loss was £3.4m. against £3.2m. and income was up from £15.2m. to £16.5m. The Data Processing profit was slightly down at £400,000 compared with £500,000 but income rose from £21.8m. to £27.6m.

The Government has agreed to pay £307.02m. in compensation for price restraint.

Apart from the £376m. due to higher costs already mentioned (which includes an additional charge for pensions deficiency of £25m.) it was also necessary to take out of revenue £52m. for additional depreciation and £28m. for higher interest charges.

The joint auditors have qualified the accounts in respect of adjustments to telecommunications assets with a book value of £3.12bn. and mention that the P.O. has now set a programme of revised procedures for implementation in April, 1977.

The report attacks the Government over its attitude to the pension fund deficiency. If the P.O. has to make good that part of the deficiency attributable to the period before it became a corporation in 1969 "prices will rise more rapidly than they need." The sums involved are large — the provision for 1975-76 is expected to be £90m.

The report says the Post Office Board strongly hold the view that the Government should agree to meet this part of the deficiency, but discussions during the year have not been conclusive. "This is not a question of the Government accepting its responsibilities," the report insists.

Among the year's achievements the report points particularly to productivity savings worth £15.6m. in telecommunications, the equivalent of nearly 5,000 jobs; the number of telephones passed 20m.; there were fewer equipment faults and the quality of inland dial service improved for the fourth year running; and direct dialling of overseas calls was extended to 54 per cent. of all customers.

International service congestion was reduced by the opening of an international telephone exchange in London ahead of schedule: moves were made towards an important new relationship with telecommunications manufacturers designed to bring about co-operation in the research and development of a new telecommunications system for the 1980s; the quality of the postal service began to improve towards the end of the year as recruitment difficulties eased following a catching-up pay award and by making a profit the Giro met the second of two targets agreed with the Government in 1972.

Telecommunications investment during the year amounted to £788m. About £600m. (76 per cent.) was spent on growth and £188m. (24 per cent.) on maintaining and improving the existing system.

The rate of growth was high, though not as rapid as in recent years, and 1.35m. new telephone connections were supplied. This brought the number of connections in service to 12.7m. and the number of telephones to more than 20m.

Local calls increased by 6.4 per cent. to 13.523m., trunk calls by 8.2 per cent. to 2.313m. and international calls by 19 per cent. to 73m. The waiting list was cut by 8,000 to 102,400.

The percentage of calls for which plant was satisfactory and adequate increased by 1.3 to 95.3 in the STD service and by 0.4 to 98 in the local automatic service. The percentage of calls failing in the U.K. international network fell from 17.7 to 10.3.

The telex network increased by 5,300 connections to 54,500. The number of data transmission connections in service rose by 17 9 per cent. to 34,900.

As for Posts, over the whole year the percentage of first class mail delivered by the week-day following posting was 89 per cent.: for second class the percentage delivered within two working days was 84 per cent. With better pay for postmen and a strong recruitment campaign, the staffing position improved, and in March this year the figures were 91 per cent. and 85 per cent. respectively.

During the year, 10,900m. letters were posted, 1.2 per cent. fewer than in 1973-74. Parcel traffic continued to improve and at 201m. was 3 per cent. higher. The proportion of letters sent at first class rates was slightly lower at about 43 per cent.

MEPC denies £75m. loss overseas

By John Trafford, Property Editor

MEPC, the country's second biggest property company which has ben plagued with financial difficulties among its overseas subsidiaries, yesterday roundly rejected Stock Exchange rumours that its Australian arm had lost £75m. The rumour led to an 8p loss to 71p in the company's share price which had been standing as high as 154p two months ago.

Mr. Alan Crowe, the company secretary, pointed out that the group had less than £50m. worth of assets in Australia—as the half-year statement in June had made clear—and that talk of such heavy losses was well wide of the mark. He reiterated that the group had been involved in two major loss areas in Australia, as had been made clear in the June half-year statement.

One of these was the £1.9m. write-off in respect of Middle Harbour, a residential property company operating in New South Wales which had experienced difficulties in selling the houses it had built.

The other loss related to Exchange Centre, a large office block in central Sydney which is due for completion in 18 months time. Uncertainty here concerns the ability of MEPC to let the entire block in view of the recent problems of the Australian stock exchange, on whose tenancies the new block would largely be dependent.

The rest of MEPC's Australian portfolio comprises a fairly typical mixture of commercial and industrial developments on which Mr. Crowe expects no more difficulty than other property companies currently involved in the Australian market.

The sharp share price reaction to the apparently ill-founded rumour is a reminder of the nervousness of the property market. Last week, Land Securities upset the market with its plans for a £21m. rights issue and yesterday Capital and Counties announced the unexpected sale of its stake in Arundel Great Court, central London, to Legal and General for £8m. Both moves emphasised the severe cash needs of the big property companies at the present time.

Export whisky to cost 50p a case more

By Kenneth Gooding, Industrial Correspondent

THE EXPORT price of Scotch whisky is to go up by 50p a case (of 12 bottles) next month and this should add something in the region of £25m. to the industry's overseas earnings in the following year.
been recommended by the Scotch Whisky Association.

But it does not apply to the U.S., the biggest customer for Scotch, or the Common Market countries which all forbid manufacturers getting together to recommend prices.

However, the higher level of prices can be expected to work through to the U.S. and the EEC when individual producers feel the time is ripe.

The last price increase for export Scotch was in January last year and was nominally of £1.50 a case. But this came down to £1 a case when extra distributors' allowances were taken into account.

The price changes come into effect when world whisky markets are depressed because of the economic climate.

In the first half of 1975 exports were down 2 per cent. in volume to 41.5m. gallons but value rose by 10.3 per cent. to £164m., when *compared with the same period* of 1974.

Accountancy bodies publish new standard

By Michael Blanden

A FURTHER STEP in the development of new accounting standards for the U.K. has been taken with the publication of a new standard covering "statements of source and application of funds."

The statement, published by the U.K. accountancy bodies as Statement of Standard Accounting Practice SSAP 10, requires the inclusion of a funds statement in audited accounts. It was first produced as a draft in April 1974, since wheg an exception has been introduced exempting enterprises with turnover or gross income of less than £25,000 a year.

The standard is effective for the accounting period beginning from January 1, 1976, and is regarded as particularly relevant at a time when liquidity problems are affecting industry.

At the sme time, the accountants have brought out an amendment to SSAP 6, on extraordinary items and prior year adjustments. This amendment provides that in the special circumstances of investment trust companies it may not be appropriate to deal with losses or gains relating to investments (whether realised or unrealised) in the profit and loss account. In such cases, these items should be shown prominently in the balance sheet or the notes to the accounts.

Spirella would close factories claims Vantona chairman

BY RHYS DAVID IN MANCHESTER

A CLAIM that Spirella would want to close down five factories in the Vantona group if its current bid for the company was successful was made yesterday by the Vantona chairman, Mr. Herbert Pilkington.

The claim, which was immediately denied by Mr. Davoud Alliance, Spirella joint managing director, was made amid noisy scenes at a preliminary meeting arranged by a former Vantona chairman, Mr. Basil Glass, before the company's annual general meeting in Manchester's Midland Hotel.

Mr. Glass, who was ousted from the Vantona Board last year and appointed company president, had called his meeting t oexplain to shareholders his reasons for seeking to return to the Board. As a supporter of the Spirella-Vantona link-up he said he wanted to try to heal the Board room split which has developed over the gid.

He told 200 shareholders who turned up that he would be working for the appointment of a new independent chairman to replace Mr. Pilkington and two non-executive directors who could strengthen the Board.

Mr. Glass, who received a £139,000 handshake as compensation for the severence of his contract last year, said he would be prepared to return without fee, salary or commission. Later at the annual general meeting after an indecisive show of hands vote the motion to return Mr. Glass to the Board was put to a poll of shareholders present.

The closure allegation at the preliminary meeting came after the two joint general secretaries of the Amalgamated Textile Workers Union, Mr. Joe King and Mr. Fred Hague, had asked whether they could attend the full annual general meeting—a request turned down flatly at first by Mr. Pilkington but later reversed.

Mr. Hague said the union, which also supports the Vantona-Spirella link-up, had been given assurances that if any closures were necessary there would be the fullest consultation with employees and the unions.

He told Mr. Pilkington: "Some 6,000 of our members have invested their lives in this company and if you think you are going to prevent their representatives from listening to what you are saying behind closed doors you are inviting industrial trouble and I promise you, by God, you will get it."

The bid, which the AGM was unable to discuss because of Take-Over Panel rules on the conduct of meetings during the period of an offer, is supported by two Vantona directors, Dr. John Blackburn, the managing director, and Mr. Arthur Morris. Mr. Pilkington is supported by Mr. Clifford Rothera and used his casting vote as chairman to reject the offer at a Board meeting.

The position has since been further complicated by the appointment of a fifth director to the Board, Mr. Tom Taylor, who is opposed to the bid, on July 22. His appointment came a week after Mr. Morris, who proposing to resign from the Board at yesterday's AGM, decided to stand again. At the meeting both Mr. Taylor and Mr. Morris were re-elected.

The annual general meeting itself lasted some two-and-a-half hours and was punctuated by a series of altercations between Mr. Glass and his supporters on the one hand and Mr. Pilkington. Mr. Pilkington, who was flanked by his lawyer with two financial advisers sitting behind, told shareholders that the improvement experienced by the company in the second half of the last financial year had continued into the first three months of this year. He said the crisis affecting other parts of the textile industry was not being felt to the same extent by Vantona.

With the exception of one or two areas of business most plants were working at full stretch with long order books and the company had managed to reduce its debt in the period from January-June this year by £2.25m. to £3.57m.

He was closely questioned by some shareholders about changes made in the system of accounting for deferred taxation which they claimed had the effect of converting a small loss after tax and extraordinary items into a profit.

BSC to phase out more than 100 direct scrap suppliers

BY ARTHUR SMITH

BRITISH STEEL CORPORATION is to reduce the number of companies offering direct supplies of scrap as part of its major economy measures now under way.

The British Scrap Federation disclosed yesterday that from September 1 BSC will implement the first stage of its plans to reorganise fundamentally the supply of scrap.

From that date, the number of companies offering direct supplies will be reduced gradually by upwards of a 100 from the present 300, Mr. Roy Boast, Federation director, said.

He stresed repeatedly that BSC had not yet decided on the ideal number of direct suppliers. However, it can be expected that, from possibly March next year, BSC may attempt to introduce a second phase and bring the number of suppliers down to around 50.

The benefits to BSC from a reduced number of suppliers derive from lower administrative costs and better control on the quality throughput.

At the last annual meeting of the Federation, it was learned that certain major suppliers were receiving premium BSC prices for scrap.

Informal talks

However, Mr. Boast disclosed yesterday that the Federation had been having informal discussions with BSC for "some months."

BSC had been "very fair" about the situation and relations with the Federation had "never been better."

There had already been some natural reduction of direct suppliers over the past year and most of the merchants likely to be concerned supplied comparatively small tonnages to the Corporation.

"None of our members need go out of business as a result of this," Mr. Boast maintained.

It is understood that smaller members of the federation are willing to supply indirectly to BSC, and there has been a tendency towards mergers, but some middle-sized firms tend to be somewhat resentful of the new policy.

Discussing the outlook for the industry, the president said most scrap merchants felt things might get a little worse before they got better.

The crucial time would be September when one could normally expect some upturn in demand.

"This may be delayed or may be much smaller than usual and I think most people would write off the rest of the year as being *pretty poor and hope for a* general world improvement next year."

Ferrous scrap exports rose 92 per cent. in the second quarter of this year to 240,000 tonnes, partly due to the increased quota to third countries, but mainly through higher deliveries to EEC countries. Overseas sales were helped by competitive prices and the depressed value of the pound.

Birmingham Post cuts Saturdays

BY PETER CARTWRIGHT, MIDLANDS CORRESPONDENT

IN A surprise decision the Birmingham Post has told newsagents that Saturday is the day on which it will not be published from next week as part of its drive to reduce losses. Also on August 4 the cover price is increased by 1p to 7p, and advertising rates by more than half in some instances.

It had been widely thought that Monday, normally a "light" day for advertising, would have been the blank day. Saturday papers have traditionally carried heavy property advertising and the Birmingham Post is one of the chief week-end standbys of home hunters.

On the Saturday immediately prior to the dispute which led on July 9 *to more than 200* editorial staff being dismissed and consequently restricted editions, property advertising covered about seven pages.

In telling newsagents of the Saturday decision the Birmingham Post says that "events have shown it to be absolutely necessary."

"Rising costs, price controls and a declining economy have resulted in severe financial losses on the Birmingham Post and we hope that by reducing our publishing activities to within a Monday to Friday structure we shall be able to guarantee the paper a healthy future."

The Friday paper will incorporate arts, leisure and other features which it is hoped will attract current Saturday only readers.

While neither side is saying that Tuesday's "unconstructive" meeting between management and *Mr. Kenneth Morgan,* general secretary of the National Union of Journalists, means an end of the dialogue, the dispute remains deadlocked.

The company on Tuesday offered to study jointly with the union pay rates and their comparability with other newspaper publishers, but refused to increase its offer of £1 a week, which the former employees say is totally inadequate after 10 months of negotiations.

Management says that pay increases for journalists between May 1974 and May 1975 were 17.1 per cent. overall, and that 51 had further increases since May totalling 5.2 per cent. The Post, it has been pointed out, is losing more than £500,000 a year in direct outgoings.

The Post, and the Birmingham Evening Mail continue to be produced in attentuated form by *executives and non-NUJ* members. The newspaper's headquarters in Colmore Circus, Birmingham City Centre, has been picketed throughout.

Varley statement on future of NVT awaited

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

MR. ERIC VARLEY, the Industry Secretary, is expected to make an announcement in the House of Commons to-day on the future of Norton Villiers Triumph against a background of mounting speculation that the Government has decided against large-scale funding for the company.

At the same time the DoI will be publishing an almost complete version of the Boston Consulting Group's report on the motor-cycle industry, which was prepared to assist the Minister in making his decision.

Both the NVT Board and the company's unions have stressed the importance of further financial assistance if the industry is to be maintained at its present size.

NVT claims that an injection of up to £50m.-£60m. would be necessary to keep the British industry on its present three-factory footing (two run by NVT, and the Meriden Co-operative), while the unions have asked for at least a "holding" operation involving Government aid of about £8m.

The long-term union policy is for complete nationalisation of the industry.

In the Boston Consulting Group's report, already circulated to unions and management in shortened form, various alternatives for the industry are laid out. It deals with three main alternatives—high volume, medium volume and low volume production. These call for an estimated support of £51m., £38m., and £15m. respectively. No real recovery is forecast until the 1980s.

The industry has already benefited from almost £10m. worth of Government aid (split between NVT and Meriden), plus £12m. guaranteed in export credits. But it has been hit by the down turn of world markets just when Meriden production —which is sold by NVT — was returning to an even keel.

NVT has already predicted a three-day week for its 3,000 employees when they return to work after the holidays next month unless there is Government help. If the Government decides to give nothing more, or to limit its aid—both of which suggestions were being seriously entertained last night — it could mean a factory closure.

In that case, NVT workers have threatened to occupy the factories, claiming that the Government had previously pledged further help for the industry.

Census report on Economic Activity

PUBLISHED TO-DAY is Part III of the 1971 Census Report on Economic Activity in Great Britain*, covering those who were in employment in the week before the census. The figures are based on a 10 per cent. sample.

The report comprises three tables showing industries by occupation, employment status, age and sex of the people working in them. Numbers are given for Great Britain together with some information for England and Wales, Scotland, regions of England and Wales, and conurbations.

A further table shows changes in occupation during the year before the census. Economic Activity Part I was published in January, 1974 and Part II in June, 1975.

Part II of the Report on Economic Activity is one of a series of national reports covering such subjects as Housing, Country of Birth, Workplace and Transport to Work, Education, and Household Composition.

**Census 1971: Great Britain: Report on Economic Activity, Part III (10 per cent.) HMSO. £7.65 net (ISBN 0 11 690191 8).*

IN BRIEF

Asians problem

The Government is trying to "side-step" aspects of the problem of British Asians in Kenya, at the expense of families and individuals, a report prepared by Dr. Tina Wallace, of the United Kingdom Immigrants Advisory Service, and published by the Runnymede Trust, claims.

EEC's £2m. loan

Britain has obtained a £2.86m. low-interest loan from the Common Market to be spent on housing for coal and steel workers.

Cheap fuel

Coal from a proposed new Kingswood open-cast coal site near Cannock, Staffs., could provide cheap power station fuel and help make up a vital 2m. tons a year which local collieries cannot supply, the NCB said.

Newsprint move

Customers of Bowater U.K. Paper were told that the Price Commission had been asked to approve an increase of some 7 per cent. on newsprint prices, amounting to about £10 a tonne, from October 1.

Clothing cuts

A "substantial number" of men's wear manufacturers are planning to cut their capital expenditure and workforces during the next six months, surveys by the Clothing and Shirt Manufacturers' Federations show.

Inflation publicity

The Central Office of Information on behalf of the Government's Counter Inflation Unit has appointed the Boase Massimi Pollitt Partnership to handle advertising associated with counter-inflation publicity. No budget has yet been allocated.

Rise refused

The chairman and directors of the TV, music and electronics group Rediffusion have declined a pay rise because of the country's economic situation. At the company's annual meeting, yesterday, they were granted increases which would have raised the fee of Sir *John Spencer Wills, the chairman* —who is also chairman of Rediffusion's parent company British Electric Traction—from £4,500 to £7,500. Directors' fees would have risen from £1,500 to £2,500.

Retail Consortium calls for details of £6 policy

BY ELINOR GOODMAN

THE RETAIL Consortium yesterday backed the CBI's demands for further clarification on the details of the Government's proposed £6 pay limit. Without such clarification, it said, the proposed amendment to the Price Code, penalising retailers for *failing to comply with the limit,* might lead to difficulties of interpretation.

In a submission to the Secretary of Prices, the Consortium protested at the lack of guidelines as to whether the £6 limit applied to each individual employee or whether an employer could give wage increases of varying amounts provided that the total increase did not exceed an average of £6 per employee.

Mr. Richard Weir, director of the Consortium, said: "The Price Commission may in future disallow the whole of any wage increase which exceeds the pay limit in applying the Price Code rules to retailers' margins. However, until the Government tells the Price Commission, the Department of Employment, manufacturers, unions and us whether the pay limit is £6 per head or an average of £6, I cannot see how any of us can do our sums."

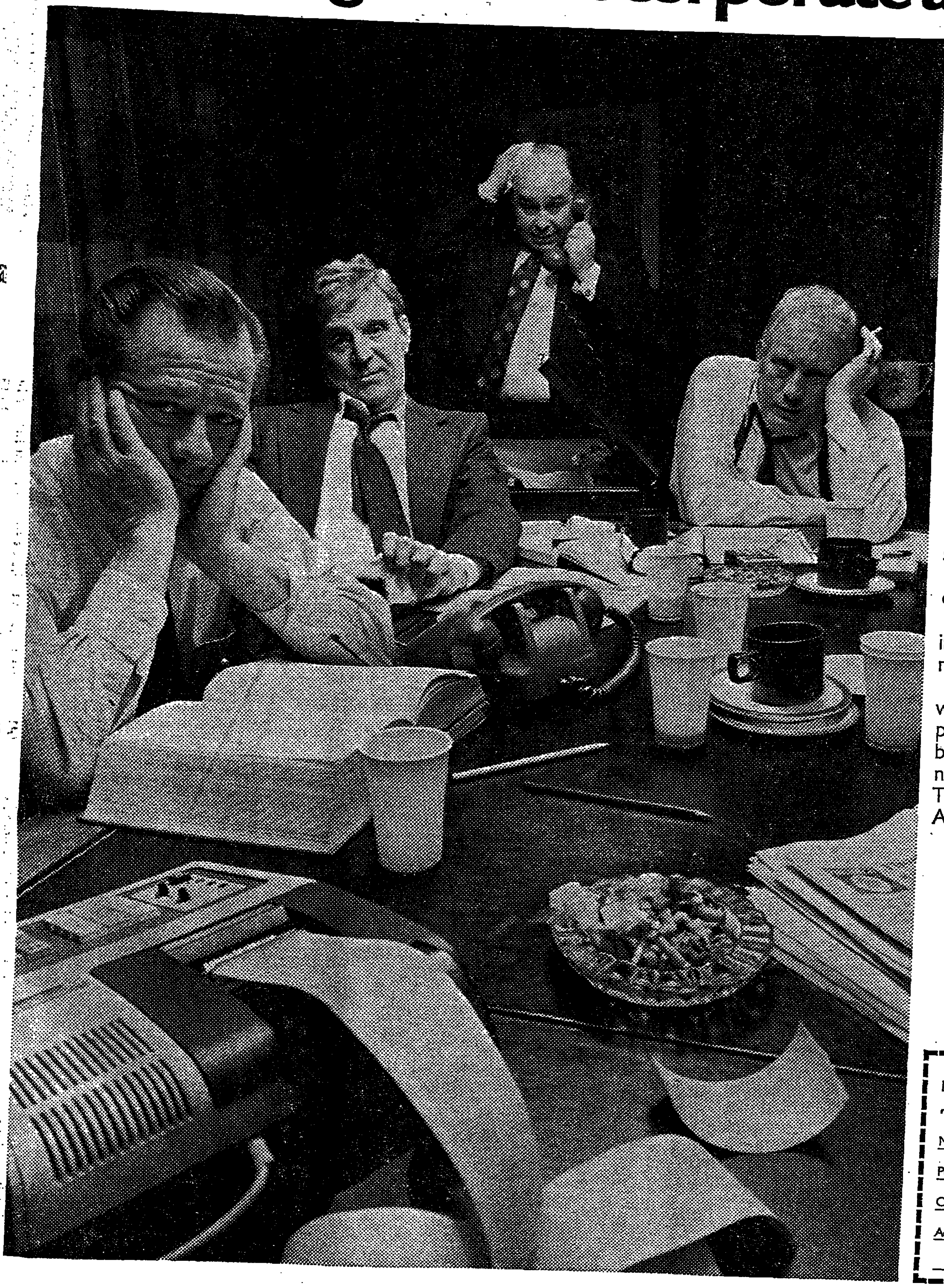
● Companies which lose money because of strikes caused by the *Government's insistence* that they must stick to the £6-a-week pay rise limit should be compensated by the Government, Mr. Graham Wilkins, chairman of Beecham Group, told shareholders yesterday.

Mr. Wilkins said at the annual general meeting there were many companies to whom a strike "may be more costly than an inability to raise prices" and it was entirely unreasonable that such companies should not be indemnified.

"I cannot feel much admiration for a policy which imposes no penalties on those who pursue inflationary pay claims, but will penalise any employer who gives way, however dire the threats

هكذا من الأصل

"After 5 hours of negotiations I saw the light about corporate advertising."



"We were having high level talks with the Union—but it became apparent they didn't have a very high level of confidence in us.

"The longer the meeting wore on, the more I realised that we weren't just talking about pay differentials and pension rights, we were talking about their faith in the company.

"If only they'd understood us better..."

Corporate advertising is a trouble-shooter.

It builds confidence in many circles: the Government, the City, the media, pressure groups, the Unions.

It develops understanding for better labour relations.

It reassures investors and suppliers.

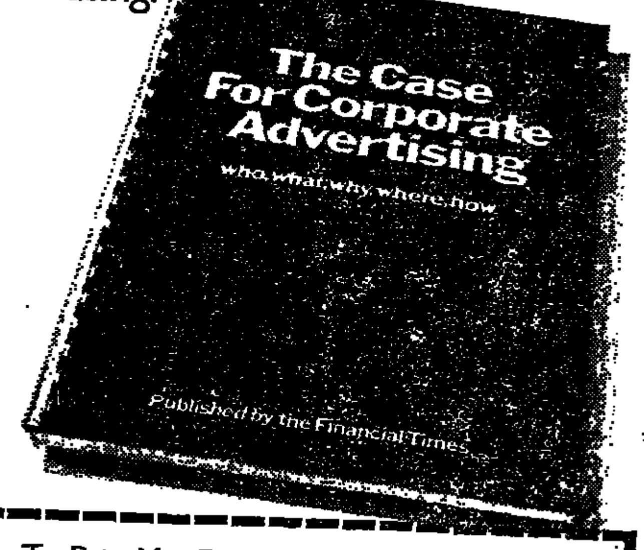
It acts as a visiting card for your salesmen.

It builds up morale and keeps down staff turnover.

It strengthens your customers' confidence and encourages new customers.

It lets you talk to the world direct—in your own words, without risk of misinterpretation along the way.

Wherever you need a fund of goodwill, good corporate advertising can be a positive force. Don't leave it too late before you see the light. Post the coupon now for your free copy of the Financial Times booklet 'The Case for Corporate Advertising'.



To: Peter Yeo, Financial Times, Cannon Street, London EC4P 4BY. Telephone 01-248 8000.
Please send a free copy of the booklet 'The Case for Corporate Advertising'.

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Company ____________

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The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● PROCESSING

Doulton expanding in safety glass

PLANS for increasing output of safety glass are now being implemented by Doulton Tempered Glass.

A new £2½m. plant at Bradford, Yorks, is gradually being run up to an eventual output of 30 to 40m. sq. ft. a year.

At present the plant is working at less than one-third capacity, but marketing strategy, coupled with expected new legislation in regard to the use of safety glass, is expected to enable the company to take up the slack before long.

The principal companies of the U.K. glass industry earlier this year formed the Safety Glazing Association which, in due course, will be available to assist the Government in the framing of safety glazing legislation. Doulton Tempered Glass is a founder member of the Association.

"Safety glazing material" has been defined as any glazing material such as toughened glass, laminated glass, wired glass or rigid glass which is so constructed, treated or combined with other materials as to minimise the likelihood of cutting and piercing injuries. The company's Permatuff tempered glass falls within this category.

The new plant at Bradford produces toughened glass by means of the horizontal roller-hearth process. The more usual method involves hanging the glass vertically as it passes through the furnace, the glass being gripped at the top edge, which leaves tong marks on the finished product. In addition, this method sets up uneven stresses within the glass and may also result in the glass warping and losing some of its original flatness.

The company's Permatuff tempered glass, and its Permawal cladding, is claimed to be the first tempered glass produced in the U.K. to be four to five times stronger than annealed glass, safe even when broken, free of grip marks, and to have an unusual degree of flatness.

As tempered glass cannot be cut or "worked" after processing it is essential that it is cut to the required size beforehand.

Ordinary unannealed glass (which may be clear, tinted, cast or patterned) is prepared using advanced cutting machinery designed in the U.S., some of which is automated and incorporates numerically controlled cutting heads. Special shapes are cut using templates and small holes and notches are formed by means of special drills. The edges are lightly ground to remove sharp corners and finally the glass passes through a washing plant to ensure absolute cleanliness before tempering.

At this stage, glass panels that are to be used as cladding on the exterior of buildings pass into a special painting section where they receive on the one side only, a coat of ceramic enamel. The prepared glass is then placed on the rollers of the tempering plant.

Travelling at a constant speed of up to 60 feet a minute it first goes into a 220 feet long electrically heated furnace. Here it becomes red hot and almost plastic. Control of furnace temperature is critical as distortion must not be allowed to occur.

In the quench section the glass moves into a blast of air. Control of air temperature, volume and speed are critical at this stage of the process, which has the effect of chilling each side of the glass to a depth of about 15 per cent. of its thickness. The glass progresses into the cooling section where a further air blast reduces the temperature again so that at the end of its 220 feet journey it is cool enough to handle.

Nearly all the glass used by Doulton is supplied by Pilkington. Doulton Tempered Glass is a subsidiary of the Bradford Glass Group, part of Doulton Glass Industries, a division of Doulton and Co. which is a holding company for the ceramic glass and engineering interests of S. Pearson and Sons.

A Billco block cutting machine, with break-out table for glass up to 2.7 metres x 3.3 metres at the new Bradford factory of Doulton Tempered Glass. The cutting sequence can be programmed by feeding details of the dimensions required into the electronic console, which then passes instructions to the numerically controlled cutting heads. These have tungsten carbide wheels while both cutting table and break-out table have air cushioning for ease of handling large sheets of glass. The break-out table assists in the separation of the cut pieces.

● COMPONENTS

Computers for less than £5

NATIONAL Semiconductor has entered the market for low-cost microprocessors with a four-bit machine called FIPS (Four-bit Integrated Processor System). The FIPS machine is designed as a pin-for-pin replacement for the MCS-4 microprocessor (Intel). It has a central processing unit (CPU) that sells for less than £5. Power dissipation of FIPS is typically 20 per cent. lower than in the MCS-4.

The FIPS microprocessor provides a compact replacement for any printed circuit board containing 30 to 90 packages of TTL. The system is intended for use in process control, numerical control, measuring instruments, traffic signal systems, and intelligent terminals.

The central processing unit contains all the control logic needed to request, decode, and execute the program instructions stored in the main memory. It consists of a four-bit arithmetic logic unit, 16 four-bit index registers, a 12-bit program counter with a three-level stack, and miscellaneous control logic.

In operation, the CPU sends a request to the systems read-only memories and random-access memories to select the next instruction to be executed. The pulse is followed by 12 bits of address data during the subsequent three clock cycles. The selected memory sends back eight bits of instruction during the following two clock times, and this information is stored in registers within the CPU. During the subsequent three clock times, the CPU executes the instruction.

National Semiconductor, The Precinct, Broxbourne, Herts. EN10 7HY. Hoddesdon 50033.

● DATA PROCESSING

Goodbye to LEO at the Post Office

NEVER particularly enamoured with ICT equipment, the Post Office has fought a last ditch battle prior to relinquishing the 11 English Electric LEO 326 machines used for telephone billing in favour of ICL 2900 equipment.

The decision was not clinched in ICL's favour until a team had carried out a cost performance evaluation of the 2970 against the IBM 370/158 and had also satisfied itself that the Post Office's security requirements for protecting system and data integrity could be met.

Three 2970's worth over £6m. will together run one of the world's largest billing operations—the production of 60m. telephone bills per year. The three will be used to produce quarterly telephone bills for the Post Office's 13m. subscribers, and with the 8½ per cent. growth in the £1,000m. annual revenue from the telephone service, the P.O. has taken an option on two more machines.

Each of the 2970s will have 1½ megabytes of store; 12 320k tape decks; seven EDS 100s; five printers and two card readers. The first is scheduled for delivery next month at the Post Office Data Processing Service Centre, at the Barbican, London.

This will be used as a trials machine for the new telephone billing system which is being developed on a System 4-72 at Harmondsworth. The first operational 2970 will be installed in Edinburgh in June 1976 and the second is scheduled for Derby six months later, in December.

● MACHINE TOOLS

Techniques of finishing

YOUNG PEOPLE in the metal finishing industries, or contemplating entry into it, are being especially sought to take part in the Institute of Metal Finishing's "mini" conference—to be held at Nottingham University on September 9 and 10.

Electroplating, painting, anodising and printed circuitry will be among the subjects covered and the conference will be directed to provide technical information on a level which will be readily understood by those working on the shop floor as well as those still studying.

Details can be obtained from the Institute at 178 Goswell Road, London ECN 7DU.

Grinds many materials

THE R.J.H. Tool and Equipment Company has designed a bandfacer grinder, primarily for use in schools and technical colleges.

Based on its "Antelope" machine, the bandfacer is mounted on a dust unit and is fully guarded around all pulleys and non-working areas. The abrasive belt which operates in the vertical plane, can be used to grind wood, plastics or steel in addition to many other materials.

A large work table incorporating a range of grinding angles is supplied with the machine.

● PLASTICS

Resin will resist red heat

A NEW type of polyimide resin, able to withstand temperatures up to 800 degrees F (427 degrees C)—a level at which steel would glow cherry-red—will be manufactured by Gulf Oil Chemicals Company under a licence option agreement with Hughes Aircraft Company. The later developed it at Hughes Culver City, California, laboratories during a four-year research programme, with support from the U.S. Air Force Materials Laboratory.

As the resin is stable for long periods at 700 degrees F (371 degrees C), it is expected to find many applications in motor vehicle parts, aircraft structures, jet engines, electrical components, domestic appliances and building products. According to Hughes, it is also a good adhesive for titanium alloys, used in aircraft.

The licence option agreement gives Gulf exclusive worldwide rights to manufacture and market the new resins, which it believes will be unsurpassed among available plastics materials with regard to thermal stability properties and ease of processability.

Technically described as a new class of addition-curable thermosetting polyimides (HR-600 series), the resin's special physical properties come from its ability to cross-link with little or no off-gassing to yield void-free, high-strength structures.

It cures at much lower temperatures than similar high temperature plastics, has excellent mechanical and electrical properties, and shows good retention of these properties at exceptionally high temperatures. The material is based on BTDA, a Gulf proprietary polymer intermediate.

Further details from Charles C. Walance, Hughes Aircraft Company, Building 6 M/S D-132, Culver City, California 90230, U.S.

● RESEARCH

Makes oil burn better

ADDING water to certain hydrocarbon fuels causes combustion to be completed more readily and could, for example, reduce the amount of air required to achieve satisfactory combustion—particularly with a cooled diffusion type flame.

The amount of reduction depends on a number of factors the most important being the extent to which combustion falls short of the ideal.

Rig tests have been carried out at Shell laboratories to determine the practical effect of burning water/oil emulsions under controlled conditions. A small industrial steam boiler was fired with a number of residual oils to which water was added to form an emulsion. The tests were carried out with a pressure jet burner, and an air atomising burner.

In both types of burner the level of particulate emission was found to fall progressively with the amount of water added. The potential benefit that could be derived from this reduction would appear to be limited to 2-3 per cent. in terms of actual efficiency gained for units already tuned to a high level of efficiency.

The work carried out so far shows that, while the technique can minimise the amount of particulate emission, the degree of reduction will largely determine the amount of fuel saved through the ability to operate with less excess air for combustion.

With poorly designed equipment requiring excessive amounts of combustion air to achieve an acceptable emission level, the saving could be considerable. The full benefit could only be realised by maintaining the air/fuel ratio at the optimum setting.

Further investigations are necessary before the potential benefit of water/oil emulsion firing for boilers can be fully established.

Shell Centre, London, SE1 7NA.

● PACKAGING

Boost for U.K. process

FURTHER DEVELOPMENT of the paper board/plastic composite packaging system developed by Airfix Industries has been made possible by provision of funds by the National Research Development Corporation amounting to nearly £¼m. over two years.

The process, which involves injection moulding a plastic framework round paper-board walls containing, if needed, other laminates to achieve the requisite degree of imperviousness, has already been licensed for production in the U.K., Australia, Canada, France, Israel, Japan, Scandanavia and Spain. A licence is being negotiated in W. Germany and negotiations are in progress with six major packaging companies in the U.S.

An advance on conventional injection moulding techniques, it offers economic and decorative advantages in the production of containers and lids which are particularly suitable for packaging food, beverages and dry goods. Because the packs are pre-printed, in the flat and before forming, the quality of and multi-colour printing is a good deal better than currently found on food packaging.

The process also enables a reduction to be made in the amount of plastic used and, because of the high paper content, the package readily degrades at the end of its useful life. It is also lightweight.

Some of the new funds will be used by Airfix in developing larger containers of up to 10 litres. This is an area in which the process becomes increasingly competitive and in which demand is increasing, but where a single packaging project development can cost up to £50,000.

● CONSTRUCTION

Empties the gullies

A THREE-wheeler demountable gully emptier with 130-gallon capacity has been designed for local authorities looking for lightweight vehicles to work in subways, parks or shopping precincts. It is called the Munibug.

Developed jointly by Ray Smith Demountables at Peterborough and Fergussons (Tankers), Limberline Road, Hilsea, Portsmouth, Hants, it has an 11 cwt chassis cab and glass fibre body. Its small turning circle makes it particularly suitable for use in parks and similar areas with narrow paths.

● SAFETY

Infra-red spots fire

A FIRST attendance 75 m.p.h. highly manoeuvrable fire appliance, a new range of hand-held extinguishers and a fire detection system are among the products introduced by Chubb Fire at the Interfire Exhibition at Olympia.

The "BeamMaster" detection system uses a beam of infra-red light projected on to a photo sensitive receiver to detect the physical changes that occur in the air above a fire.

It is claimed to be superior to laser systems in that beam misalignment cannot occur due to minute shifts in the building: the infra-red beam used spreads gradually to a diameter of about one metre over a path length of 100 metres. One BeamMaster can, it is claimed, provide cover equivalent to that of 12 smoke detectors or 24 heat detectors at their maximum coverage.

The beam is projected about 0.5 metre below the ceiling, and consists of two microsecond-long pulses repeated at 1,000 Hz. Smoke drifting into the space between transmitter and receiver reduces the received pulse amplitude and the brightness at any moment is compared in electronic comparators with that prevailing ten minutes earlier. A reduction of more than half in that time initiates a smoke alarm.

Since dirt accumulations on lenses or amplitude loss due to beam misalignment occur over days rather than minutes, these are automatically cancelled in the comparator.

Hot air or gases passing through the beam make it break up in such a way as to produce a flicker effect which is superimposed on the brightness of the received infra-red beam pulses. This flicker normally lies between 2 and 20 Hz: by demodulating the pulses and filtering appropriately, a heat alarm (as opposed to a smoke alarm) is initiated. The modulation has to be sustained for five minutes before this occurs however.

Each BeamMaster unit provides coverage to a proved 7 metres on each side of the beam over a distance of 100 metres and at a height of 13 metres. The system operates from a conventional 12V dc power supply. More from Chubb Fire Security, Pyrene House, Sunbury-on-Thames, Middlesex (Sunbury 85588).

● INSTRUMENTS

Synthesises pure signal

DIRECT FREQUENCY synthesiser model 360 from AIL, High Street, Crowthorne, Berks (03446 5777) is suitable for incorporation in complete systems or as a high quality laboratory instrument.

Discrete spurious outputs are 100 dB below the selected output and the noise level is low, permitting applications to communications systems, particularly satellite ground terminals. Since it is a direct synthesiser the unit offers 20 microseconds switching time making it ideal for frequency-agile applications such as radar, military systems, and automatic test systems.

Using a new approach called BCD synthesis, the 360 achieves high speed frequency switching and good spectral purity but at the same time remains relatively inexpensive and simple, due mainly to reduction of the number of "comb line" frequencies from ten to two and elimination of the associated circuits.

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COALITE AND CHEMICAL PRODUCTS LIMITED

The fifty-eighth annual general meeting of the company was held at the Dorchester Hotel, Park Lane, London W1, on Wednesday, 30th July, 1975.

Statement by the Chairman, Mr. Francis L. Waring.

The Board

Mr. A. Goodsell has decided to retire from the position as Joint Managing Director of the Parent Company and all its operating subsidiaries, also to relinquish his seat on the Boards of these companies with effect from Monday, 30th June, 1975. During nearly 49 years' loyal and dedicated service, including a long period as Secretary, Mr. Goodsell has made a major contribution to the success of our enterprise. He will be greatly missed and has the good wishes of all throughout the Group for a long and happy retirement.

It has been decided to revert to the arrangement of having a sole Managing Director and we are indeed fortunate that Mr. C. E. Needham with his thirty years' service is available for this onerous position. He is admirably qualified in every respect and, equally important, he has the complete confidence of all his colleagues both at Board and other levels.

After careful consideration, I propose to vacate the Chair on 30th September, by which time I will have completed 60 years' Coalite service. My Board colleagues have paid me the compliment of inviting me to continue as an ordinary director and to make my services additionally available when required in a consultative capacity. This I am very happy to do.

We are specially fortunate that the Deputy Chairman, Lord Ward, is available to become Chairman. His outstanding credentials are well known and I am confident that he will have the best wishes of employees and shareholders alike for a successful and happy period of office.

You will be invited at the Annual General Meeting to approve a Resolution to increase the fees of each Director, other than the Chairman of the Board, from £1,000 per annum to £2,000 per annum and the fees of the Chairman from £1,500 per annum to £3,000 per annum.

These have remained unchanged since 1964 and it is suggested that the proposal is very reasonable in the light of the changes that have occurred in the meantime.

Year in Brief

The optimism that was expressed in the 'Outlook' section at this time last year has been fully justified by events. The results comprise records in every field.

Finance

Group turnover totalled £49,277,754 compared with £30,627,174. Exports contributed £6,826,000 compared with £3,152,000.

Profit before taxation amounted to £9,602,802 compared with £2,844,099. Investment income contributed £310,994 whereas, after allowing for a small investment credit, the bank overdraft cost £294,443 during the preceding year. This reflects the change in the Company's cash resources which totalled £5,620,988 at the year end.

Depreciation totalled £3,081,699 compared with £2,635,257 and, together with the net profit of £4,592,800, provided a cash flow of £7,674,499 compared with £3,988,189 last year. When considering the cash flow, it is desirable to emphasise that £4,683,000 was required for increased Working Capital.

Taxation outstanding at the end of the year, payable on 1st January, 1976, totalled £4,578,745. This figure is after allowing for stock relief of £541,000 which is, in effect, only a loan. Expenditure on capital additions totalled £1,083,000 during the year and there was an amount of £3,705,000 authorised and outstanding on 31st March, 1975. Since then an additional £680,000 has been authorised and other projects are under consideration.

Dividend

Following an interim dividend of 0.290 pence per share a final of 0.322 pence is proposed which, together with the appropriate tax credits, gives a gross dividend of 0.928 pence. This compares with 0.826 pence last year and is the maximum permitted by existing counter-inflation legislation.

It has been announced by the Chancellor of the Exchequer that in future, new shares issued in lieu of cash dividends will be taxed as income. As such an arrangement is no longer attractive to shareholders, the Board has decided not to offer this option in respect of dividend payments.

Inflation Adjusted Accounts

A summary of the consolidated results and financial position adjusted for the effects of inflation has been produced for the first time, together with notes giving the basis of inflation accounts and explanation of the differences between the profit before tax in the historical accounts and the adjusted profit in the inflation accounts. The basis of preparing the inflation adjusted 'current purchasing power' accounts is to convert the historical pounds in the conventional accounts by reference to the relevant retail price indices. The exercise shows that the profit before tax of £9,603,000 in the historical accounts compares with £7,631,000 in the inflation accounts and the historical accounts profit after tax of £4,593,000 is 43% lower at £2,621,000 in the inflation accounts.

The most significant features of the inflation-adjusted accounts are the increase in the effective tax charge and in the charge for depreciation. When the accounts are expressed in pounds of current purchasing power, the effective tax rate is approximately 66% whilst the depreciation charge increases by £2,148,000, an increase of 70% over the charge in the historical accounts.

The above factors emphasise the necessity of generating a high-level of profit in order to provide adequate finance for future operations and to maintain the value of shareholders' equity in real terms.

General Review

We started the year with minimum stocks and reduced rates of throughput both resulting from the prolonged dispute in the coal mining industry. With trade and consumer stocks of solid fuel similarly depleted, together with a buoyant chemicals market at home and overseas, we were able to consistently sell all our production and so largely avoid stocking which is an increasingly costly exercise. This permitted us to take full advantage of the high interest return available on cash balances.

As was indicated at the half-year stage, the return on sales of oils and chemicals substantially improved during the year as the result of prices on the home market being allowed to reach more realistic levels and our being in a position to capitalise on the higher export prices available on chemicals that could be produced in excess of the requirements of home consumers. Consequentially, oils and chemicals have made a substantially greater contribution to overall profits this year. This has enabled us to maintain increases in the price of Coalite within competitive bounds, despite the serious escalation in costs.

Coalite

There are few comforts to compare with that provided by a real fire. An open fire provides radiant heat and healthy ventilation in the right proportions without undue loss of thermal efficiency, a fact which is at last receiving due recognition. Coalite continues to be the most popular all-purpose domestic solid smokeless fuel, being ideal for open fires and equally suitable for room-heaters and other closed appliances.

As was indicated at this time last year, gas is still the main competitor to solid fuel. It is disappointing that there is continued reluctance to price gas realistically relative to other domestic fuels.

We would like to take this opportunity of thanking the distributive trade for their friendly co-operation and to commend the activities of the Solid Fuel Advisory Service, of which we are constitutent members.

Oils and Chemicals

In the majority of our outlets for oils and chemicals, the strong demand experienced during the preceding financial year continued until the early part of 1975. Even now our position is reasonably favourable although the exceptional prices brought about by the export boom have materially reduced.

It is disappointing that the completion of the expansion of Ortho Phenyl Phenol manufacturing capacity coincided with a reduction in demand resultant upon the recession in the textile industry. We are exploring the possibilities of exploiting our special manufacturing know-how in this field.

We continue to be the most substantial producer in Europe, and possibly the world, of intermediates for the manufacture of herbicides. As a result of a detailed investigation of potential future demand and raw material availability, we decided to embark on a major scheme of expansion in this field. This will double production capacity of the principal intermediate and substantially increase that of others. Commissioning is expected in the second quarter of 1976.

Following extended trials Coalite oils and pitches are now readily acceptable for road surfacing applications and we are taking full advantage of this important development.

In the light of continuing expansion it is increasingly necessary to protect our raw material supplies. We shall take any action, including the installation of new plant, that might be necessary to achieve this.

Siebens Oil & Gas (UK) Limited

During the year Siebens (UK) drilled two wells with the Western Pacesetter rig. The first, on Block 205/30, West of the Shetland Islands, was abandoned as a 'dry hole' although traces of hydrocarbons were found.

The second well, on Block 2/10, reached a depth of 12,145 feet but, unfortunately, a mechanical fault made it necessary to suspend drilling for the time being and release the rig to another company. However, the presence of hydrocarbons was confirmed and while the quality of the oil could be assessed the well could not be flow tested. Work will be resumed in this Block when the rig is returned to the Company in the summer.

Meanwhile, an important find was reported by Pan Ocean in Block 16/7. Siebens (UK) has a 10% interest in this Consortium. Since the end of our financial year on 31st March, 1975, Siebens (UK) have taken steps to raise, by means of a Rights Issue, additional money to finance continued exploration. We propose to take up Rights at a cost of £371,511 which will increase our total stake in terms of cash to £471,511. As a result of this operation, our percentage holding will be 6.88% as against 8.26% previously.

Health and Safety

Operating as we do in the carbonising and heavy chemical areas, safety at work has been and will continue to be regarded as a matter of paramount importance. The stimulation and maintenance of the required degree of safety-consciousness at all levels necessitates continuous review of methods and procedures. We have, for some years, operated Joint Safety Committees at each Works in an endeavour to ensure that everybody is intimately involved in ensuring that positive action is continuously maintained to minimise the risk of personal harm. A revised handbook has recently been circulated to all employees re-stating Board policy on health and safety and encouraging active participation towards achieving the highest practicable standards. Where accidents do occur, they are thoroughly investigated to make sure that the same lessons do not have to be learned twice. We are aiming for a high standard and realise that improvement is a continuing process.

We have provided a medical inspection service since 1938 and the records indicate that we have reason to be pleased with the general health of our employees.

Employee Relations

The increasing rate of inflation has unfortunate repercussions on all aspects of business, not least on relationships between management and employees. Until a few years ago we had an enviable record in the avoidance of industrial disputes. Like many other companies, however, we now experience difficulty in avoiding disruption of production due to disputes, particularly at the time of annual wage negotiations.

As this statement is being written, we are resuming normal operations after a strike lasting two weeks at the Bolsover Coalite Works and the Central Refinery and over seven weeks at the Coalite Works at Askern, Grimethorpe and Rossington in Yorkshire. Needless to say, this has caused damage and hardship. The tragedy is that it was all so unnecessary as the substantial improvement in earnings was on offer before the dispute. It is to be hoped that the current rate of inflation can be drastically reduced and that this will, in turn, lead to the return to rational wage negotiations and so stop the drain on national and personal resources which continual disputes inevitably cause. Despite these difficulties, the year under review resulted in a very substantial recovery in profitability and you will, I know, wish me on your behalf to thank employees for their contribution.

The Future

To forecast in the present economic climate would be hazardous and foolish. It is, however, the unanimous view of your directors that our underlying financial strength and physical capacity is such that we should be able to overcome any normal difficulty.

ROYAL COMMISSION ON THE DISTRIBUTION OF INCOME AND WEALTH

DETAILED analysis of the available statistics in the distribution of income and wealth in Great Britain, together with a specific examination of the role of dividends in relation to incomes and to the company sector, have been provided in the first two reports produced by the Royal Commission on the Distribution of Income and Wealth, under Lord Diamond.

The reports cover two of the three areas on which the commission has received specific references. The commission's third reference, on which it has not yet reported, is on income from employment at the higher levels—£10,000 and above. The commission was set up in August last year to provide the Government with analytical background for its policies.

"The responsibilities and activities of Government in modern society," the commission comments, "are so comprehensive and interdependent that economic and social policies may be misconceived, misdirected or vitiated as a direct consequence of inadequacy of information at the different stages of planning, implementation and evaluation . . . Without knowledge of the true nature of the present distribution of income and wealth, and of its connection with the expansion of real income and wealth, and with concepts of social justice, views may be held by different groups which are mistakenly believed to be based on fact, but which will render more difficult the evolution of a consensus on policy in this field. Yet to arrive at such a consensus is essential if that policy is to tackle present social and economic problems effectively."

The first report, on the standing reference, is mainly factual. It includes important analytical work attempting to evaluate the usefulness of present statistics on the distribution of income and wealth, and brings into account elements of wealth other than those measured by the official figures. These include particularly accrued pension rights held by individuals, which make a substantial difference to the distribution of wealth and produce a considerable levelling.

The second report considers specifically income from companies and its distribution, in relation both to the ownership of equity capital and the role of dividends. It gives the first comprehensive information for several years on the ownership of quoted ordinary shares, indicating a continued relative drop in personal direct holdings.

The report finds that for private sector companies, equity has an essential role, providing a basis for them to raise other forms of finance and to weather fluctuations in profits. It also recognises the need for competitive returns on equity shares to be maintained over the longer term if the supply of new funds from outside companies is not to dry up.

People turning away from direct investment

BY MICHAEL BLANDEN

OWNERSHIP OF equity capital, the final distribution of dividends among individuals, the growth of dividends and other forms of personal income and the role of dividends and equity capital in company finance are the four main areas covered by the Royal Commission's report on Income from Companies and its Distribution.

The Commission points out that it has regarded its task as mainly a fact-finding operation, and although it received a good deal of evidence on related subjects such as dividend control (covered in a separate appendix) it has confined the main report to setting out its findings on the subjects it was asked to cover. It also points out that given the lack of available data on many areas of its brief and the short time available, the report should not be regarded as "an exhaustive examination of the wide-ranging subject of income from companies and its distribution."

Marked drop

Examining the pattern of distribution of equity capital and the income arising from it, the report finds that there has been a marked drop in the holdings of persons over the ten years to the end of 1973 and a corresponding increase in holdings by insurance companies and pension funds.

The proportion of quoted Ordinary shares held by individuals dropped from 58.7 per cent. to 42 per cent. during this period. At the same time, holdings of pension funds and insurance companies rose from 18 to 28 per cent. Pointing out that these institutions themselves act largely on behalf of individual investors, the report suggests that "individuals as a group have been turning away from direct investment in industry and placing their savings with pension funds, life insurance companies, unit trusts, etc., which in turn invest them in industry."

The report also contains the results of a survey of share ownership in 30 large companies, where the clearing banks inquired into the beneficial ownership of nominee-held securities. This shows that the bulk of nominee holdings were held for the institutions.

Relating the distribution of dividend income to individuals of different income levels, the report identifies three main groups of individuals who benefit, directly or indirectly, from dividends.

These are: 2.1m. taxpayers who hold shares and loan stocks yielding taxed interest personally and therefore receive dividends directly; up to 11m. workers who are members of occupational pension schemes and 2¼m. taxpayers who are currently in receipt of pensions from such schemes; and 14m. taxpayers who save through life assurance of one kind or another. These, it is pointed out, substantially overlap.

Using Inland Revenue figures relating to the 1972-73 distribution of dividends and taxed interest, the report shows that recipients accounted for about 9 per cent. of all taxpayers. The proportion ranged from 6 per cent. in the bottom income range to 85 per cent. at the top.

Almost half of the recipients had total statutory incomes of less than £2,000 in the fiscal year covered, and took just under a fifth of the total gross dividends and taxed interest paid directly to individuals.

At the top end of the income scale, a tenth of the income paid to persons went to the half per cent of total taxpayers with incomes of over £20,000, who averaged £11,884 each. The broad pattern of distribution, the Commission comments, is of "a relatively large number of taxpayers receiving small amounts of such income and a small number receiving large amounts."

Taxation, however, makes a substantial levelling impact on the incomes. A recipient of dividends and interest with a total income of less than £1,000 in 1972-73 paid little or no tax. Above that level, the proportion of income taken in tax ranged from 20 per cent. in the £1,000-£2,000 bracket to over 80 per cent. for those with total incomes above £20,000.

Age was also important in shaping the distribution of receipts, with the majority of those at the lower end of the income scale also being pensioners or aged persons. Of all dividends and taxed interest, 57.5 per cent. went to pensioners or aged persons.

The Commission did not, however, find it practicable to comply with the request that they should also show the income levels of those who benefited indirectly from dividends, through pension schemes or assurance policies.

Analysing changes in dividends and the related capital, the report shows that over the period 1963-74 there were wide fluctuations in quoted company dividend payments, ranging from an increase of 16 per cent. down to a fall of 4.9 per cent.

Over the period, dividends paid by quoted companies rose at a compound rate of 6.1 per cent. a year, or 5.6 per cent. if allowance is made for changes in the capital base.

Dividend income, however, has risen much less rapidly than other forms of income, the report shows. Over the period from 1963 to 1973, aggregate dividends have grown in money terms on average at about one-third of the rate of earned incomes and other forms of investment income, and have shown the lowest rate of growth of all identified forms of personal income.

In real terms, aggregate dividends have declined during the period by 20 per cent.; all the other components of income which have been identified have increased in real terms by amounts ranging from 25 per cent. in the case of other investment income to 85 per cent. in the case of occupational pensions and life assurance benefits.

The report goes on to examine the impact of capital gains and losses on income from share ownership, but points out that reliable data are not available. Its estimates suggest, however, that over the period from 1948 to 1974 the averages of the annual returns adjusted for inflation were 5.2 per cent. for investors paying no tax, 2.6 per cent. for those paying at the standard rate and −0.2 per cent. for those paying tax at the top marginal rate. Between 1963 and 1974 the returns are much lower at 0.3 per cent., −2.9 per cent. and −5.8 per cent. respectively.

The Commission then considers the role of equity capital and dividends in company financing, with particular reference to long-term investment. With the help of a special study commissioned from Edinburgh University the report states that equity finance is, mainly because of tax, generally more expensive than other forms of finance. But because it carries no contractual return it provides necessary flexibility.

The choice for financing long-term investment may be narrowed down to one between equity and long-term debt, and equity has the role of providing a base for borrowing.

The pattern of company financing, it is then pointed out, is heavily dependent on internally raised equity funds. Over the period 1950-72 equity capital funds derived internally provided just over 76 per cent. of total funds raised by the companies examined, and the proportion did not fall below 65 per cent. in any year. Issues of ordinary shares for cash provided an average of just under 12 per cent. of total sources of funds in the earlier period from 1955 to 1961, but in later years their importance declined.

This decline was accelerated in 1965 when companies tended to switch to loan issues after the change to corporation tax, and in 1970 to 1972 equity issues provided only 2 to 4 per cent. of the total. The Commission reports that there is evidence of a feeling that gearing has been increased too far among companies, and that therefore there should be a higher level of equity issues in the immediate future than in the recent past.

THE PATTERN OF OWNERSHIP OF QUOTED ORDINARY SHARES
1963 AND 1969-73

Percentage (year-end)

Category of ownership	1963	1969	1970	1971	1972	1973
Persons, executors and trustees resident in U.K.	58.7	47.0	45.0	44.0	43.0	42.0
Charities and other non-profit making bodies	2.6	3.6	3.8	4.0	4.2	4.4
Insurance companies						
— long term funds	10.6	12.4	13.0	13.7	13.8	14.2
— general funds	10.6	1.4	1.4	1.6	1.7	2.0
Pension funds	7.0	9.4	10.4	11.0	11.3	12.2
Investment trust companies	6.7	7.0	6.9	7.0	6.9	6.5
Unit trusts	1.2	2.9	2.9	3.2	3.1	3.4
Banks and other financial institutions	2.3	3.6	3.7	3.5	3.7	3.3
Non-financial companies	4.8	4.6	4.7	4.6	4.7	4.3
Public sector	1.6	2.5	2.4	1.8	1.9	2.5
Overseas	4.4	5.6	5.8	5.6	5.7	5.2
Total	100	100	100	100	100	100
Total market value of issued ordinary shares (£ million)	27,500	38,010	35,670	50,920	60,070	40,520

Trends towards more equal distribution

CHANGES IN the distribution of income have not been pronounced over the past 15 years, but there has been a continuing trend towards greater equality in the distribution of wealth. These are among the main points which emerge from a Royal Commission's first report, on its standing reference.

This requires the Commission to analyse the current distribution of income and wealth and in its first report it surveys existing information on the subject. This has involved a detailed analysis of a wide range of statistics, needed to provide the groundwork for future reports and as a basis for recommending improvements in official statistics.

The report starts by pointing out that there are difficulties in defining both income and wealth.

No single definition of either is appropriate for all purposes. But for statistical measurement the report comes down in favour of a definition of income which follows standard accounting practice in excluding changes in capital values; and it discusses the concept of wealth in terms of a distinction between marketable and non-marketable forms of wealth.

Turning to the distribution of personal income, the Commission considers the various official sources of statistics. These include Inland Revenue figures, the family expenditure survey and the Central Statistical Office Blue Book tables which were temporarily discontinued in 1967. The Blue Book figures are seen as the most satisfactory source of general information, and the report publishes for the first time CSO statistics for 1972-73.

The report expresses the spread of incomes as shares of defined groups. On the basis of the Blue Book figures, it shows that in 1972-73:

1—The top half of income recipients, whose incomes ranged from £1,338 upwards, received just over three-quarters (76 per cent.) of total income before tax.

2—The bottom half received 24 per cent. of total income before tax.

3—The top 20 per cent. had more than seven times the share in total income before tax of the bottom 20 per cent—42.7 per cent. against 5.8 per cent.

4—The top 10 per cent. (those with income of £2,857 or over) and the bottom half (those with income of under £1,338) each received about a quarter of total income before tax (26.9 per cent. and 24 per cent. respectively).

5—Income tax modified the situation, but the difference after taking this into account are relatively small. After tax, the share of the top 10 per cent. fell from 26.9 per cent., to 23.6 per cent. and the share of the bottom 20 per cent. rose from 5.8 to 6.8 per cent.

PERCENTAGE SHARES

	Share of total income 1964-65	Share of total income 1971-72	Change in percentage points	Percentage increase (+) or decrease (−) in average real income per-tax-unit
Top 1 per cent.	7.7	6.1	−1.6	− 5.5
2–5 per cent.	10.6	10.3	−0.3	+15.5
6–10 per cent.	8.7	8.9	+0.2	+21.5
Top 10 per cent.	27.0	25.3	−1.7	+11.5
11–20 per cent.	13.9	14.5	+0.6	+23.4
21–30 per cent.	11.7	12.2	+0.5	+22.5
31–40 per cent.	10.1	10.7	+0.6	+21.5
41–50 per cent.	9.1	9.3	+0.2	+21.2
51–60 per cent.	7.9	8.1	+0.2	+20.2
61–70 per cent.	6.8	6.7	−0.1	+16.8
71–80 per cent.	5.6	5.6	—	+17.7
81–90 per cent.	4.5	4.4	−0.1	+16.8
91–100 per cent.	3.4	3.2	−0.2	+12.7
All groups	100.0	100.0	—	+18.0

Off the top

The report points out that there were marked changes over the period from 1949 to 1959. The share of the top 1 per cent. in income before tax fell from 11.2 per cent to 8.4 per cent., while the share of the rest of the top 5 per cent. fell from 12.6 per cent. to 11.5 per cent. From 1959 to 1972-73 the changes were less marked. These show:

1—A continuing decline in the share of the top 5 per cent., from 19.9 per cent. of income before tax to 17.2 per cent. This was largely accounted for by a drop in the share of the top 1 per cent. from 8.4 per cent. in 1959 to 6.4 per cent.

2—The share of the bottom 20 per cent. rose from 5.3 per cent. to 5.8 per cent.

3—The impact of progressive income tax on the distribution has not changed substantially. In 1959, the share of the top 10 per cent. was 29.4 per cent. before tax and 25.2 per cent. after tax, a difference of 4.2 points. In 1972-73 the corresponding proportions were 26.9 per cent. and 23.6 per cent., a difference of 3.3 points.

The Commission then considers the effect on the distribution of income of other taxes, and of transfer payments and benefits in kind provided by the State. This suggests that the progressive effect of direct taxation is largely offset by the regressive effect of indirect taxation. "Thus the tax system has little effect on the overall shape of the distribution even though different households pay different proportions of their incomes in tax, depending for example on their level of income, household circumstances and expenditure patterns."

Taking all taxes and other payments and benefits into account, however, produces a different picture. With these, the overall effect is "a major redistributive one."

Examining the distribution of personal wealth, the report starts from the Inland Revenue statistics but points out: "the dearth of reliable statistical information is a central theme of our discussion of evidence on the distribution of wealth."

The Inland Revenue figures are widely acknowledged to be subject to a number of difficulties, mainly because they are based on estate duty returns.

These figures show that in 1973 total personal wealth in Great Britain was estimated at £163.9bn. Of this, 27.6 per cent. was owned by the top 1 per cent. of the adult population (aged 18 and over), 51.3 per cent. by the top 5 per cent. and 67.2 per cent. by the top 10 per cent. The figures, it is pointed out, assume that over half the adult population owned no wealth at all.

Everybody in the top 1 per cent. of wealth owners possessed net assets worth £44,030 or more.

The report then makes a number of important adjustments to the figures, including an allowance for wealth held by members of the population not covered by the Inland Revenue statistics, numbering some 20m. in 1972. The new figures suggest that the Inland Revenue statistics slightly overstate the degree of concentration of personal wealth.

Adjustments

The adjusted figures show total personal wealth in Great Britain in 1972 as £173.9bn. (against a revenue estimate of £138.4bn.) with 28.1 per cent. owned by the top 1 per cent. of the adult population, 53.9 per cent. by the top 5 per cent., 67.3 per cent. by the top 10 per cent. and 82.4 per cent. by the top 20 per cent.

A major change in the distribution, with a marked reduction in the level of concentration, is produced, when the accrued value of State pension rights — constituting a form of non-marketable wealth—is taken in. The share of total wealth owned by the top 1 per cent. of the population then falls by a third, from 28.1 to 17.4 per cent., while the share of the bottom 80 per cent. is more than doubled, from 17.6 to 40.7 per cent.

Gaps in the statistics make an examination of trends in the distribution of wealth difficult, but the figures suggest a continuing move towards a more equal distribution. Over the 50 years up to 1960 there was a substantial fall in the share held by the richest 1 per cent. of the population, from 69 per cent. to 42 per cent. Since then the trend has continued, with the share of the top 1 per cent. down by about a quarter between 1960 and 1973 and the share of the top 5 per cent. falling by a fifth.

Analysing factors underlying the distribution of wealth, the report emphasises the distinction between wealth accumulated out of earnings and wealth received through inheritance. Accumulated wealth is examined in the context of a "life-cycle" savings model, and it is suggested that when allowance is made for differences in earnings and savings levels between individuals the life-cycle theory has an important part to play in explaining the observed inequality of wealth holding.

Royal Commission in the Distribution of Income and Wealth Report No. 1: initial report on the standing reference (Cmnd. 6171. HMSO. £3.10). Report No 2: Income from companies and its distribution (Cmnd. 6172. HMSO. £2.45)

DISTRIBUTION OF PERSONAL WEALTH
INCLUDING STATE PENSION RIGHTS

Inland Revenue estimates adjusted to balance sheet wealth totals and including occupational pension rights in 1972

	Excluding State pension rights	Including State pension rights
	%	%
Top 1 per cent.	25.6	17.4
2- 5 per cent.	24.5	17.5
6- 10 per cent.	13.8	10.8
11- 20 per cent.	16.9	13.6
21-100 per cent.	19.2	40.7
(Cumulative basis)	%	%
Top 1 per cent.	25.6	17.4
Top 5 per cent.	50.1	34.9
Top 10 per cent.	63.9	45.7
Top 20 per cent.	80.8	59.3

APPOINTMENTS

Lord Windlesham joins ATV main Board

Lord Windlesham has joined the Board of ASSOCIATED TELEVISION CORPORATION. He is also joint managing director of ATV Network.

*

Mr. John L. J. Moore has accepted an invitation to join the Court of Directors of the BANK OF IRELAND. Mr. Moore retired recently as U.S. Ambassador to Ireland.

*

Mr. A. R. Chalk has been appointed a director of SPICERS, a member of the Reed International group.

*

Mr. A. J. Avery has been appointed an additional director of C. E. HEATH AND CO. (UNDERWRITING) from September 1.

*

Mr. J. B. Hill has been appointed production director and Mr. W. D. N. Woodhouse assistant sales director, on the main Board of BRITISH MOHAIR SPINNERS. Mr. R. J. Fawcett joins the Board of Robert Clough (Keighley) and Mr. J. Hibbert appointed to the Board of C. F. Taylor and Co.

*

Mr. Colin S. Lovell has been appointed manager of agencies for the SCHRODER LIFE GROUP.

*

Mr. Paul Heaver has been appointed financial director of DEANS FARM EGGS.

*

Mr. M. C. Bailey is to be taken into partnership with NORTHCOTE AND CO., stockbrokers, from August 4.

*

Sir Peter Rawlinson has become chairman of the Bar, and chairman of the SENATE OF THE INNS OF COURT AND THE BAR. The new vice-chairman is Mr. Peter Webster.

*

Mr. David Hadley, operations director, U.K. of CREST HOTELS EUROPE, has left the company because of ill-health.

*

Mr. Kenneth M. Spence will join SIDLAW INDUSTRIES on September 1, to become deputy chairman of its subsidiary, Aberdeen Service Company (North Sea).

*

Mr. John M. Brice has been appointed chairman of CARRON HYDRAULICS, a member of the Carron Company (Holdings) group. Mr. Brice is chairman of Brown and Sharpe.

*

Mr. Norman Smith has to-day been appointed a director of the ORION INSURANCE COMPANY.

*

Mr. Geoffrey Nobes, of H. Sich and Sons, has been elected [illegible] man of the INSTITUTE OF [illegible] TERS OF WINE for [illegible]

PARLIAMENT

Tories urge direct-grant schools to delay plans

By Our Education Correspondent

THE SEMI - INDEPENDENT direct-grant schools were yesterday warned by the Conservatives to avoid responding hastily to Government regulations designed to "phase-out" the semi-independent sector from September 1976.

Although the regulations—laid before Parliament earlier in the day—are *dated to come into* force on August 21, the Opposi*tion pointed out that a prayer* can be put down against them which, *if carried either in the* Commons or the Lords, would cause the regulations to fail.

The Government plans gradually to abolish the 173 direct-grants — which have hitherto received financial aid in return for reserving places for children sent by the State system—by making them choose either to become fully maintained by their particular local education authority, or to go *completely independent*.

Under the regulations, the *schools are expected to declare* their intent one way or the other by December 31.

If they choose independence—as about half of the direct-grants have apparently decided to do—they will receive no State aid *for any* pupil admitted from September, 1976.

Tactics

However, the matter will not be so cut-and-dried in the case of *schools which "intend" to* join the State system. Having declared this intent, the schools will then have to work out with the local education authority the detailed proposals for their merger with the planned fully *comprehensive system* of State secondary schools.

They will *effectively retain* their direct-grant status for as long as they can satisfy the Government that there is good reason why these proposals are *not complete*.

This provision seems to leave room for *considerable delaying* tactics, especially where local authority is opposed to the Government's "phasing-out" scheme.

The *semi-independent* sector of 26 grant-aided schools in Scotland—*which is also to be* abolished—is not affected by yesterday's regulations. Separate details covering the Scottish sector are expected shortly.

Call for reform of Scottish divorce law

"IT IS simply not good enough to leave the reform of Scottish divorce law to the whims of private members' legislation," said **Mr. William Hamilton** (Lab., Fife Central).

He *asked why the Government* had not produced legislation of its own, but had managed to give time for the passage of the Hare Coursing Bill.

"This issue cuts across party lines," he added. He suggested that **Mr. Ronald King Murray**, the Lord Advocate, should speak to *the Leader of the House* and arrange for time to be given for the introduction of a Bill.

Answering **Mr. David Steel** (L., Roxburgh) Mr. Murray said he was aware of the practice for Scots to reside in England and commute to work in Scotland, so that they could get a divorce under English law.

The Scottish Law Commission, the *Law Society of Scotland* and the Church of Scotland favoured divorce law reform, said **Lord James Douglas-Hamilton** (C, Edinburgh W.).

Mr. Harry Ewing, Scottish Under-Secretary, reminded MPs that Mr. Ross had consistently said the Government was prepared *to give drafting assistance* to any private Member who brought in such *legislation*.

EEC approves restrictions

BRITAIN'S action in invoking the balance of payments safeguard *provisions under the* Treaty of Rome so as to retain existing exchange *control* restrictions after the dates *envisaged in the Treaty of* Accession for their removal has been *authorised by the EEC* Commission.

This was *disclosed* in a written answer in the Commons yesterday by **Mr. Edmund Dell**, the Paymaster-General.

Benn's uneasy silence as Court Line storm rages

BY PHILIP RAWSTORNE

Even the "undue confidence" of Mr. Anthony Wedgwood Benn appeared shaken by the storm that broke about him in the Commons yesterday after the Ombudsman's report on the *collapse of Court Line*.

The Tories howled with satisfied fury at *him; the Liberals thundered with dis*approval; and Labour MPs raged just as violently in his defence.

Mr. Benn sat in uneasy silence as Mr. Peter Shore, Secretary for Trade, announced the Government's *rejection of criticisms* by both the Ombudsman and the Court Line company inspectors of the "unqualified confidence" Mr. Benn had expressed in its continued operations.

It was an ironic twist of polities for one who had so often been accused of causing a loss *of confidence in industry*.

But the Tories were already in full voice as Mr. Shore quoted *the critical reports*—and when he added that the Government nevertheless considered Mr. Benn had been right, they erupted. "*Shame*," *they* shouted, "Arrogance."

THE *Government's* statements had given no formal guarantees, Mr. Shore insisted. "Very difficult questions of judgment are always involved in deciding how much or how little should be said publicly in situa*tions of this nature, particularly when* there is a risk that a wrong emphasis may bring a company down."

The Opposition was in no mood, however, for questions of delicate balance.

"*Totally disgraceful*," cried Mr. Michael Heseltine from the Tory front bench, almost tripping over his epithets in his rush to deliver them.

The Ombudsman's inquiry had fully *supported the Tory view that Mr. Benn had* misled both the Commons and Court Line's holidaymakers.

It had shown that Mr. Benn had been briefed by his civil servants to be cautious *and had ignored them, he declared to gasps* of indignation. The Commons now needed an explanation and an apology. And the holidaymakers who had lost their money needed compensation.

Mr. Shore brushed him aside but was sternly warned by Mr. Richard Wainwright (Lib., Colne Valley) that he could not treat the Ombudsman in the same way even with a "perfunctory gesture of respect."

The Government was not ignoring the criticisms, said Mr. Shore. It just disagreed *with them*.

But the demands for an apology from Mr. Benn rose more fiercely.

"Surely it is not beyond the Government to say in an honourable way that it has made a mistake," said Mr. Donald Stewart, the Scottish Nationalist leader—*discovering at once that it was*.

Mr. Benn having postured as the saviour *of holidaymakers, was now shown* to have misled them, Mr. Eldon Griffiths (C., Bury St. Edmunds) accused. And having committed this foul, the Government had "kicked the referee in the teeth."

Mr. William Whitelaw, rousing the Labour benches to uproar, said that Mr. Benn had committed an error of judgment. "An apology costs nothing," he yelled.

Mr. Shore bore out the attack equably. It was no good trying to single out Mr. Benn for censure, *he said. He had been* speaking for the entire Government.

And with Labour MPs rushing to his support, Mr. Shore pointed out that if Government funds had not been available, Court Line *would have collapsed sooner*, losing many more jobs as well as holidays.

The Government did not lightly disagree with the Ombudsman's report, Mr. Shore repeated. "But we cannot accept that *he is infallible*."

And, amid a flood of protesting points of order, the issue was left for debate next week.

Shore promises early debate

IN HIS statement on the findings of the Ombudsman and the Department of Trade Inspectors on complaints after the collapse *of the Court Line group*, Mr. Shore told the Commons that neither report made any criticism of the decisions taken by the Government in the handling of the issues.

Indeed they paid tribute to *both officials* and Ministers for the speed and sense of respon*sibility with which they had* reacted to the situation as it *developed*.

"Both the Parliamentary Commissioner and the Inspectors do however criticise in certain respects the statements made to *Parliament on June 26 and July* 1 by the then Secretary for Industry, Mr. Anthony Wedgwood Benn, on behalf of the Government.

"They accept that the statements were made in good faith *and reflected the confidence* which the Government genuinely *felt at the time about the pros*pects of the business based on a careful assessment of the best information available to it, but they consider that the statements went further than was justified in reassuring the pub*lic about the continuation of the* company's operations for the rest of the summer season last year.

"The Government notes and respects the criticisms made in both reports but the Government considered then and still believes that the statements made were right in the difficult circumstances at the time.

"*The Government had* carefully considered in the light of the reports whether any *further* measures to assist those affected are called for.

Bonding

"This is not a case in which any legal liability arises. The Government's statements were not phrased or intended to give *a formal guarantee and did not* do so.

"Furthermore, the House will recall that the Government decided last September to legislate to compensate those Court Line and other holidaymakers who had *a reasonable expectation* that they were protected by adequate bonding arrangements but who nevertheless suffered loss as a result of the failure of their tour operator.

"The Air Travel Reserve *Fund Act, 1975, has accordingly* established a fund to which the Government has offered a £15m. interest-free loan and from which the Court Line and other holidaymakers are being reimbursed and future holidaymakers *will benefit*. The Government has, therefore, concluded that no further payment out of public funds would be justified.

"However, wider issues of public policy are involved. Very difficult questions of judgment are always involved in deciding how much or how little should be said publicly in situations of *this nature*, particularly when there is a risk that a wrong *emphasis in a statement* may bring a company down.

"This is a matter of continuing concern to all Governments. Because of the importance of the questions raised the Government feels it right that there *should be an early opportunity* for debate."

Lord George-Brown blasts inflation White Paper

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

THE GOVERNMENT last night *pressed* its counter-inflation Bill, supporting the £6 peg on pay increases, a further stage nearer *the Statute Book when the legis*lation was passed, uneroded by *Opposition amendments, from the* Commons to the Lords.

Apart from assurances on the way the Bill—the Remuneration, Charges and Grants Bill—would work, *only minor* changes have been made by the Government.

But during the course of the second all-night sitting in the Commons *within a week*, the Opposition early yesterday prevailed on Ministers to write into the Bill an assurance that any variation of the £6 limit, arising from any change of policy, would have to be put before Parliament.

Allowed

Of the other Government assurances in the course of the arguments over the policy, including such matters as Wages Council proposals and incremental and "wage for age" payments, the most important concerned occupational pension schemes.

Pressed by both the Tories and the Liberals to exempt improvements to occupational schemes, **Mr. Michael Foot**, Employment Secretary, did offer a relaxation *of the provisions as they had* been understood previously.

"*New and improved schemes* designed to meet the minimum requirements for contracting out under the Social Security Pensions Bill will be allowed to go ahead from July 31, 1976," he told MPs.

This set the date a year ahead, *and not as inadvertently* stated in yesterday's report, July 31 *this year*. Mr. *Foot contended* that the line the Government was taking would not be to the disadvantage of schemes or the development of new ones.

When peers debated the anti-inflation policy as framed in the Bill, **Lord Carrington**, from the Opposition front bench, stressed *the belief of the Tories* that the Government had not gone far *enough in the measures it pro*posed.

"I doubt whether we have lived so much on tick since the reign of Charles II," he commented.

Liberal leader **Lord Byers** offered his party's full support—although Liberals believed the policy should have been made tougher and more specific.

Bluff

He regretted the reluctance of the Government to publish its statutory reserve powers. This created the belief that Ministers were conducting a monumental bluff, "and the only thing a Briton does with a bluff is to call it," Lord Byers added.

Lord Boyle, chairman of the top people's pay review body, said *he had become convinced* that statutory powers on wages were going to be needed as a permanent sanction.

He was concerned that the prospect that top salaries would be limited. They were necessary, he maintained, as an incentive to those who should reach high positions in future.

Lord George Brown, now perhaps the sternest critic of the Government on the Labour backbenches in the Lords said: "The Government in its White Paper comes up with proposals that are not only half-baked, but are almost totally unbaked."

The White Paper on the proposed "attack on inflation" was certainly not an attack on inflation, Lord George-Brown contended.

Calculating the £6 increase, with a few settlements which would squeeze through the loopholes, adding in the extra sub*sidies for food and rent*, plus the £10 a week job subsidy, he maintained that the result would be to add £7.8bn. in the coming year.

"George Orwell knew what he was talking about in Newspeak and Double-speak. That is not an attack on inflation. What the *Government is trying to do is* to make sure that we do not add more to inflation. But that was not to stop it."

He contended that industries and services were often vastly over-manned and industrial investment had virtually stopped. "But the only proposal about this that I can see in the White Paper is that we should have *greater pressure on pricing* policies and that we should *retain funds at the expense of* investment."

He called for prices and incomes to be related to productivity. "It is the only way that incentive can be given to those with ambition. I exempt the Prime Minister *from what I am* saying, for he is an old sinner like me. But the lack of courage, thought and policy in the Govern*ment is covered by a lavish use* of ancient shibboleths and slogans."

Attack on council 'perks'

SCOTTISH local authorities were indulging in a "perks bonanza," an *Opposition front bench spokes*man claimed in the Commons yesterday.

Mr. Malcolm Rifkind had tackled **Mr. William Ross**, Scottish Secretary, on the advice being *given to councils to make sure* their spending on salaries and other *related purposes* accorded with the Government's pay policy.

He complained: "Quite apart from the *repeated increases in* local authority senior staff salaries, the great *perks bonanza* is continuing with reports of per cent. mortgages and cheap loans paid for out of ratepayers' money.

"The continuing tendency of local authorities to spend money as though it was going out of fashion is in grave danger of bringing them into disrepute," he warned.

Mr. Rifkind called on the Minister not merely to urge *restraint but set up a full inquiry* into senior officials' remuneration "to end the contempt with which ratepayers are being treated."

Mr. Ross said the Government *was taking every opportunity to* impress on local authorities the *need to use what freedom they* had wisely and well.

"That and *the feelings of rate*payers are the real things that matter in this."

No State funds for union ballots

BY JOHN HUNT

A CONSERVATIVE attempt to get the Government to provide financial aid to cover the cost of holding postal ballots in trade union elections failed in the Commons last night.

Mr. Michael Foot, the Employment Secretary, said that informal discussions which he had held indicated that the *unions were against the idea at* the moment. But he promised *that if the unions changed their* mind, then the Government was *prepared to accept the proposal*.

"If the trade union move*ment or individual trade unions* come forward and say '*We want these facilities*,' that *is* a different matter and something *we would be perfectly prepared* to accept," he said. "But that is not the question at this precise moment."

The Conservatives tried to introduce the scheme as a new clause in the Employment Protection Bill now in its report stage in the Commons. But it was defeated by a majority of 35 (241—276).

There was thought to be a danger that some Labour MPs *would vote with the Conserva*tives in favour of the amend*ment. In the event* this did not happen although 100 Labour back-benchers put their name to a recent motion in favour of postal ballots in the unions and some spoke in favour of the idea during last night's debate. The new clause was, however, supported by the Liberals in the division lobbies.

For the Conservatives **Mr. Barney Hayhoe** *pointed out that* if Mr. Foot did wish to provide *such aid* to the unions at a future date the Government could not merely do it on an ad hoc basis. It would have to come to the House to legislate *for such a scheme*.

Veterinary proposals to be considered

By Our Lobby Editor

A WARNING that the recommendations of the Committee of *Inquiry into the Veterinary Pro*fession, published on Tuesday, would have to be considered "against the background of the general economic situation, including the resources available" was given yesterday by Mr. Fred Peart, the Minister of Agriculture.

In a written Parliamentary answer, he said that the recommendations *would be studied*, after consulting the various interests concerned. Many of the proposals would require detailed examination and had implications for the longer rather than the shorter term.

He concluded: "We agree with the committee that greater em*phasis needs to be placed on the* prevention of animal disease and its significance for public health. The proposals on preventive veterinary medicine are a most interesting and valuable contribution. We shall also carefully examine, in consultation with the profession, the committee's *proposals for the greater use of* lay assistance."

Sailing grant is stopped

THE GOVERNMENT has decided to withhold a grant for the World Youth Sailing Competition, to be held at Largs from August 9, because one of the teams is from South Africa.

Announcing this in a Commons written *reply* yesterday, *Mr. Bruce Millan*, Minister of State, Scottish Office, said: "I have told the Scottish Sports Council that it should not pay a grant to the Royal Yachting Association for this champion*ship because one of the teams is* from South Africa and I am not satisfied that *racial considera*tions have not entered into its selection."

Bill to change caravan rating

A BILL to amend current law on rating of caravans was given a formal first reading in the Commons yesterday.

The Caravan Ratings Bill, a private members' measure introduced by **Dr. Edmund Marshall** (Lab., Goole) would reverse a *1966 court decision that caravans* should be rated as separate properties.

Dr. Marshall said, "This Bill is a straightforward application of commonsense to a confusing and anomalous situation."

Rather than being valued as a whole, holiday caravans were now dealt with as separate properties. This was causing *many caravan owners to sell* them or tour round the country *so that they were not on a* permanent site.

Rees: Pay rise for Convention

MEMBERS of the Northern Ire*land Constitutional Convention*, at present receiving £2,500, are *to get a pay increase of £695* a year.

Announcing this in a Commons written reply, **Mr. Merlyn Rees**, Northern Ireland Secretary, said the payment would be backdated to July 17.

Cheap stamps for cards at Christmas plea

Mr. Edward Taylor (C Glasgow, Cathcart), is to ask *Industry* Secretary Eric Varley to direct the Post Office to offer cheap postal rates for Christmas cards.

Mr. Edward Taylor is also asking Employment Secretary Mr. Michael Foot how many people are employed directly or indirectly in making and selling Christmas cards.

In other questions, Mr. Taylor wants a study into the effect on small shops of a cut in Christmas card sales.

Mr. Taylor said yesterday if the proposed charges of 8½p for first class and 6½p for second class mail were applied to Christmas cards, 1975 may be the most cheerless Christmas yet for the British people and the thousands whose *livelihoods depended* on the industry.

"While *some people may con*sider that Christmas cards are *superficial, I am certain that for* many elderly people they give real uplift and joy," he said.

LABOUR NEWS

AUEW may bid to lead fight against redundancies

BY JOHN WYLES, LABOUR REPORTER

BRITAIN'S second biggest union, the Amalgamated *Union* of Engineering Workers, is to make a late bid to mobilise the TUC's annual September Congress behind a militant programme to fight unemployment.

AUEW leaders have decided to move a lengthy amendment which, *if passed*, would transform a General and Municipal Workers Union motion on unemployment into a call on trade unions to take positive steps to *fight redundancies at plant* level.

A four-point plan proposed by the engineers "*to ward off un*employment" urges maximum "solidarity action" by all *workers affected by the threat of* unemployment, a shorter work*ing week* and an extension of statutory and annual holidays, *a reduction, and where possible*, elimination of overtime, and resistance *to attempts to cut* jobs through natural wastage *and voluntary redundancy*.

In addition, the AUEW wants to delete the GMWU's call for action to reduce unemployment based on a public works programme, temporary employment subsidies and selective import controls and substitute it with a programme controlling export capital and lowering interest rates, increased wages pensions and social benefits, *more public* ownership and the direction of industry to areas with above average unemployment.

UCATT may boost anti-vote

The Union of Construction, *Allied Trades and Technicians* may cast its 220,000 votes *against the new pay policy* at this September's annual Trades *Union Congress*.

UCATT's executive council *agreed yesterday that its* Congress delegates should be left *to decide how to vote. The dele*gates are more militant than the *union leadership and could thus* help boost the anti-policy vote *towards* the 3m. mark out of the 10m. total TUC vote.

Economist's study predicts 4.4m. professional workers by 1981

BY CHRISTIAN TYLER, LABOUR STAFF

THERE IS likely to be a rapid increase in the numbers of professional and technical workers over the next six years, according to experimental projections by a Cambridge economist pub*lished* to-day by the Government.

The number of doctors, nurses, teachers, scientists, engineers and other technicians and professional people (including artists) could rise to 4.4m. in 1981 compared with 2.7m. in 1971.

Administrators and managers will also increase as in recent years, *but at a slower rate than* previously, says Mr. Vivan Woodward of the Department of Applied Economics at Cambridge University.

His study, the second of a two-part experiment in employment projection, appears in the Department of Employment's July Gazette.

The first article, in May, forecast *a substantial expansion* in the public service sector at the *expense mainly of manufacturing* industry.

*To-day's article forecasts a con*tinued decline of employment in farming, fishing and mining, but at a slower rate than between 1961 and 1971. Most "materials processing" occupations may also shrink, with the *exception* of electrical and electronic work.

After their rapid growth in *the last decade*, the number of clerical jobs may stabilise at around the present 3.5m. Construction and labouring generally may decline further, but transport and communications should turn upwards.

The author warns that the projections, because of statistical and interpretative problems, should be regarded as only a starting point for further analysis.

● The *monthly* strike figures continued to show an improvement on last year, despite a high June total, with 1,345 stoppages involving 516,900 workers and 3.86m. days lost in the first six months of the year. In the first half of 1974 there were 1,386 stoppages, 893,800 workers involved and 8.86m. days lost. The 1974 figures were swollen by the *national miners' strike*.

Crisis talks to-day over Observer redundancies

BY OUR LABOUR REPORTER

CRISIS talks to avert the threat of compulsory redundancies *among* at least 120 Observer printing workers will take place between *management and print* union leaders to-day.

Machine room chapel (office branch) leaders of the National Society of Operative Printers, *Graphical and Media Personnel* will be giving their first official reaction to the company's threat to issue sacking notices next Monday unless sufficient volunteers come forward this week to satisfy the needs of its urgent cost-cutting progamme.

The threat was set out in a *letter* sent to print union general secretaries on Tuesday which made it clear that the Observer was prepared to risk protest action rather than delay any *longer moves which its says are* vital to save the newspaper.

The *warning* was directed specifically at the NATSOPA machine room chapel which has so far refused to produce volunteers for redundancy on the *terms* proposed by the management. The Observer wants to cut more than *120 jobs in this area* and so far the chapel has offered to discuss a reduction of something in the region of 46.

There were some signs yesterday that NATSOPA men have been shaken by the management's warning and may be prepared to compromise rather than *face the prospect of being held* responsible for closing the newspaper.

Elsewhere at the Observer, the NATSOPA clerical and National Union of Journalists chapels have produced the number of volunteers required by the company while members of the National Graphical *Association* are hopeful of reaching agreement by the end of *this* week.

NUJ heads for £120,000 deficit

THE NATIONAL Union of Journalists is expected to plunge into a deep financial crisis this year with an estimated deficit of *£120,000* despite an urgent economy drive that will save up to £10,000.

The union's projected loss which will be £90,000 up on last year has heightened *speculation* that only a merger with a bigger union can guarantee *its* future. But provided the 28,000 NUJ members are prepared to accept an increase on their current subscriptions of £25-£30 a year, the union's leaders remain optimistic that they can continue to *go it alone*.

Although the NUJ's national executive has just agreed to economies, the union's leaders see little scope for further cost cutting without drastically reducing services to members. *This means that the union* £450,000 annual income will have to be boosted by *further* subscription increases next ye...

The NUJ will look to its ba... for support. It is already us... as security its fighting fund... backing future disputes, to w... part of the subscriptio... *devoted*.

NUJ leaders are still con... ing how to tackle the ... problem affecting the un... cash flow which is caused ... large proportion of mem... being heavily in arrears ... their subscriptions. Well ove... per cent. of membership ... *are still owing to the union*...

Strike ends at Parsons after three weeks

BY OUR NEWCASTLE CORRESPONDENT

FOUR THOUSAND manual wokers at the Newcastle engin*eering plant of C. A. Parsons* yesterday voted to end their *three-week-old strike*.

They will return to work on Monday after accepting a pay offer giving them £6 a week extra, backdated to July 1, and another £5 from January. The £5 rise will have to be offset against the national £6 pay *limit* in any further pay negotiations *before August, 1976*.

Shop stewards said the offer was *only* accepted "under duress" because the Government pay limits are due to come into effect on Friday and they thought these would have limited the total award to £6. *The stewards said they reserved* the right to go back for more *money as soon as possible*. They have been demanding an immediate £10 increase.

Mr. George Arnold, Tyneside chairman of the Confederation of Shipbuilding and Engineering Unions, said: "Because the *men have been forced back by* Government policy rather than *by a reasonable company offer*, I can foresee stained industrial relations at the plant for some months. The company has been hiding behind the Government policy."

Alford strike a threat to 11,000 BL jo...

By Our Midlands Correspo...

WHETHER more than ... British Leyland car worke... the Midlands and on *Mers*... will be able to resume their ... *is likely to be decided by* workers in a Hemel Hempst... components plant who meet ... day to decide whether to continue their five-week-old pay strike at the Alford and Alder factory.

This strike has cost British Leyland about £14m. worth of production and halted output at Jaguar and Triumph car plants *and at subsidiary factories*. The current pay contract at Alford and *Alder*, which makes suspension units, rear axles and other assemblies for British Leyland does not end until September.

Port jobs cut funds plea

THE GOVERNMENT is considering a request for financial assistance to the Port of London to help a 1,100-man reduction in the port's labour force.

Subject to the Department of Employment granting the request for a *£6m.-£7m.* loan, the National Dock Labour Board has *given London permission* to retire the men. The money is needed *for up to £5,250* severance pay per head, to which the men are entitled under the 1967 dock labour scheme.

London employers had asked for authorisation to reduce the 10,700-strong labour force by up to 2,000 men over the next six months.

But the National Docks Labour Board, on which both unions and employers are represented, obviously considered this figure too high and authorised only 1,100.

D o E launches booklet on job satisfaction

BY CHRISTIAN TYLER, LABOUR STAFF

AN *AMBITIOUS attempt* to persuade managements and trade unions to co-operate on improving the quality of life at work was launched yesterday at the Department of Employment.

The Department was introducing a booklet on job satisfaction prepared by a tripartite com*mittee representing Government*, the TUC and CBI. This committee was set up under the last Conservative Government at a *time when the tripartite* approach to national issues was *a cornerstone of policy*.

Presenting the booklet, Mr. John Fraser, Under-Secretary for Employment, said both sides of industry should not merely seek to come to terms with changes in workers' needs, but to build "in a very positive way" on them.

Although the guidelines might not break much new ground *theoretically, it was important* that they represented an "agreed statement" by the Government, TUC and CBI.

Dissemination of the committee's message to managers and workers *is backed by a double-*page article in the Department's June *issue of Employment News*, which has a distribution of 100,000.

Yesterday's launch gives public expression to research and advisory work already undertaken by a work research unit created by the committee. This body has dealt with inquiries from 350 organisations since it was set up last December.

Boredom

A principal theme of the booklet is that *industry is beginning* to realise that "efficient" pro*duction methods, often* limiting the skill and responsibility of workers, can be counter-productive in leading to boredom and absenteeism.

It suggests eight general principles for re-designing jobs. Among these are: to use individual skills, encourage learning, extend decision-making and responsibility, foster social relations at work, provide a challenge and introduce job variety.

Of the ways of reorganising work, the committee (called the Tripartite Steering Group on *Job Satisfaction*) recommends autonomous working groups *with employees arranging their* own schedules as probably the most *fruitful*. Experiments abroad on motor-car production lines have had some *success* in this.

It warns that greater responsibility for shopfloor workers may be seen as a threat to the authority of the man who supervises them. He, therefore, should be given a more managerial or co-ordinating role.

At a Press conference yesterday Mr. John Boyd, general secretary of the Amalgamated Union of Engineering Workers, speaking for the union side, said:

Oversimplified

"We will be using this as a springboard for propaganda among shop stewards." He thought some of the craft union's resistance to change was due to the fact that skilled men's jobs were often oversimplified by new production techniques.

For the CBI, Mr. P. S. Linklaker, personnel director of Shell U.K., said part of the purpose was to "unleash the experience" of the men actually doing the job. They usually knew the work better than any behavioural scientist or work study specialist.

Making Work More Satisfying: Tripartite Steering Group on Job Satisfaction; HMSO, 60p.

The Marketing Scene

UC DD on TV

BY PAMELA JUDGE

"R U 18" is a sign often seen in pubs and this is going to be matched with a series along the lines of "R U drinking DD" or "I C U drinking DD." The new campaign for Double Diamond, the Allied Breweries beer which is claimed to have 4 per cent. of the national 3,000-brand market, is said to be the biggest yet. It is also the first by the new agency Kirkwood which took over from Young and Rubicam where the "I'm only here for the beer" was coined.

Posters, point-of-sale and masses of TV are the chosen media and the pay off line is "Too wonderful for words." The whole campaign is based on phonetics with TV commercials having, for example, a disc jockey talking about VHF, LPs and, of course, DD. In another one there is a 'phone box conversation about the KGB and an ID parade.

The creative department at Kirkwood is working on developments of the theme with a military setting and in a hospital but obviously if the public responds, which is what is hoped for, then the idea can be stretched in a wide variety of directions. Advertising begins to-morrow and runs until Christmas.

Boase Massimi Pollitt was yesterday appointed to handle the Government's counter-inflation propaganda campaign. It is believed that around £1.5m. to £2m. may be spent though no budget has officially been set.

● ANGUS SHEARER, the former managing director of Young and Rubicam who left the agency in February, is setting up his own agency and in an unusual move is "Using Ogilvy Bension and Mather as the springboard."

The company is to be called Angus Shearer Limited and both Mr. Shearer and OBM have put money into the venture. As yet there is no staff but the office is at the south end of Brettenham House, Lancaster Place, near enough to OBM but quite separate.

● WHEREVER women may have made cuts in their spending because of the present inflationary situation, they have certainly not made them in the purchase of morale boosting beauty aids. The popularity of a wide range of products is still on the upswing according to the latest IPC Cosmetics and Toiletries Survey published yesterday.

IPC Cosmetics and Toiletries Survey: IPC Magazines Limited, 15/17 Long Acre, London, WC2 £60 for the first copy, £12 for subsequent copies.

● HARP LAGER, which is owned by the consortium of Arthur Guinness, Scottish and Newcastle Breweries, Courage and Greene King and Sons, is to test market Kronenbourg lager, the eminent Continental brand, in the Midlands and the south of England and has appointed Saatchi and Saatchi to handle the account.

Paul Mitson, marketing director of Harp, says that if the test market is right "and we are pretty sure it will be" then Kronenbourg would be launched next year but it is "very unlikely" to go national at that time. If the decision to launch in, say, the south was taken then, depending on the current levels of advertising in the lager market, Harp would be looking to spend the equivalent of £1m. nationally. It seems that Kronenbourg, part of the Gervais-Danone group, will be in the "low premiums" sector of the market alongside Harp Special.

Pressures on the major multiples present an opportunity for the well-run symbol groups. ANTONY THORNCROFT reports.

Future favours the small retailers

MARKETING in the U.K. too often means the activities of the grocery trade, because the grocery trade accounts for over a quarter of all retail sales, and because the grocery manufacturers have developed the greatest sophistication in selling to a mass market. Food advertising, for example, represents over 10 per cent. of the £900m. spent annually on advertising, and in research, new product development, and pricing policies, it tends to be the grocery companies and the grocery retailers that lead the way.

So it is potentially far reaching that the grocery trade seems to be passing through a period of great change. In 1974 the manufacturers temporarily gained the advantage over retailers because of the shortages that followed the three-day week. They could drive the bargains; they could postpone the production of own label lines; they could frighten the retailers into building up large and costly stocks.

Now the situation is quite different. The recession is starting to bite and large manufacturers are suffering an actual decline in sales for the first time in years. Heinz, for example, is selling over 5 per cent. less product this year, and the producers are offering the retail trade very generous discounts to stock and promote their merchandise.

This is reflected in the own label situation. Last year the retailer's own label lines showed a much narrower price saving over the advertised brands, a saving of barely six per cent. Now we are back to the 9 per cent. differential, as the manufacturers are prepared to quote attractive prices to gain the business.

It is the same with stocks. There has been no dramatic de-stocking but retailers are cutting down on their supplies of extended use products like jam, margarine and cereals, while building up stocks of long life canned goods, as a precaution against further price increases. Overall the de-stocking is more apparent in a reluctance to accept quite so many brands, with the second and third lines in a market being axed.

These are the changes that have already occurred. In the next year we face a real decline in living standards and a £6 limit on pay increases, which will ironically badly hit the profits of the low paid retail trade. In effect it is another blow for the multiple groups.

For years the multiple groups have dominated the business, pushing up their share of total sales to 48.4 per cent. Now they face a considerable increase in their labour bill, along with curbs on their profits and sharp rises in the rents and rates on their High Street premises.

They are under pressure to keep their turnover rising to attract the finance to pay for the out-of-town super stores which are the best hope for the future, but the extra turnover comes from steadily less profitable conventional supermarkets. The multiples profits are edging down to 2½ per cent., a drop of a third, and they are faced with a choice between reducing staff, putting up prices, or off loading some of their smaller and less profitable outlets.

The main beneficiary of any change should be the local convenience store. This has happened in the U.S. and the major symbol groups here, Spar, Mace and VG, are well placed to take advantage of the new trends. Symbol groups are organisations of retailers and wholesalers with the advantage of one end of combined buying power and management advice while at the other the shops are family owned and local to shoppers' homes. Although the symbol group retailer might seem to the public to be a small, rather isolated, unit in fact the management behind the three main symbols is more than a match, in financial resources at least, for the multiples. VG, for example, is sponsored by some of the largest wholesalers, including Wheatsheaf which supervises Carrefour hypermarkets and the Trademarket cash and carries; Mace is run by Oriel Foods, part of RCA, and Booker-McConnell; while Spar, which has completely absorbed Vivo, is owned by a dozen wholesalers.

This means that the top table buying power of the symbols is comparable with the very largest multiples. Mace, for example, which has 5,150 member shops selling this year over £350m. worth of goods, actually participates in purchase of £500m., when the Keencost cash and carry chain is included. In the same way the buying power of VG is well above the 1975 target of £216m., through 3,300 shops, and Spar, which now accounts for 4,000 outlets, is bigger than the £300m. worth of goods it is selling this year.

Michael Reynolds of Spar, Dick Branston of VG and David Poole of Mace. These three organisations account for two-thirds of symbol group turnover and are the main growth area.

The symbols are aware that there is a gap between the discounts they can squeeze from the manufacturers and the prices in the shops. In fact they have concentrated on offering specially promoted lines at comparable prices to the multiples, while charging more for the less frequently purchased lines.

Mace this year has been cutting out the competitions and in-store excitements and putting its promotional money behind price cuts. VG followed a similar line in June, using a heavy TV campaign to draw attention to money-off coupons in the Press. (It has worked well enough to justify a repeat exercise at Christmas. Crosse and Blackwell, one participant in the promotion, expected to sell 12,000 cases of baked beans and moved 26,000, and RHM reckoned it a record setter for selling flour.)

On the other hand Mike Reynolds of Spar reckons that the housewives like stable prices (and research by HIM confirms this). Spar froze its prices for three months and regarded it as "our most successful exercise." It will repeat it.

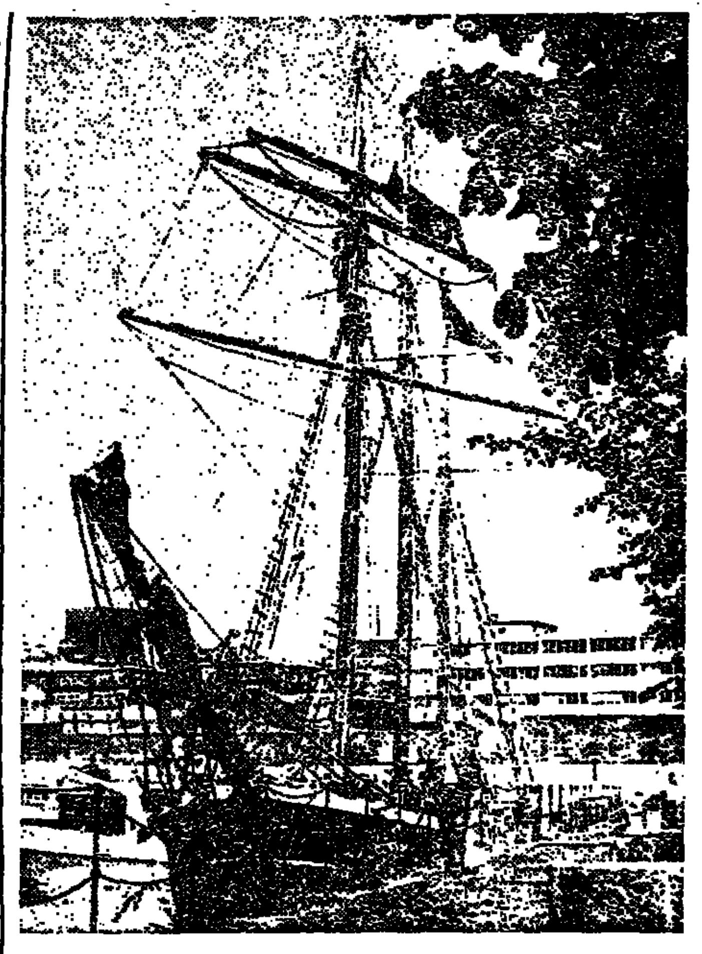
Another area in which Spar is placing great emphasis is own label, which seems to be coming into prominence this year as shoppers down-trade. Spar increased its own label turnover by £10m. last year and expects to add another £15m. this year, towards a total of £60m. Mace, too, is pushing own label, and its sales in this category are up 40 per cent. to £20m. as against the overall growth of 22 per cent. VG is also widening its own label range, into such areas as frozen foods and sausages, so although the symbols may not be approaching the 50 per cent. plus of Sainsbury in own label they are acknowledging the need for discount lines, which also promote the symbol name.

Lack of national recognition had been a problem for the organisations, which tend to dominate different parts of the country, but now they are each spending £1m. plus on advertising, pushing the convenience store theme. As housewives increasingly dislike shopping, because of rising prices, and as they have to watch their cash flow, the accessibility of the symbol group stores becomes more attractive. They are offering the facilities of the American convenience store—locality, flexible opening hours, neighbourliness — but because they have to stock goods with a low turnover they inevitably charge more. In effect the symbol groups are torn between the complete convenience image, which in the U.S. means a price premium of over 25 per cent., and cheapness.

However, their future prospects look good. They tend to be family owned, and operated, with lower labour costs; they should gain from more professional buying at the top—Mace has reorganised its purchasing so that one committee negotiates with all the suppliers; they are becoming more flexible, reflecting the needs of the community, and sometimes carrying a confectionery, tobacco and newspaper section, with higher profit margins; and the shops are enjoying a closer relationship with the symbol group, which has increased its direct deliveries as the manufacturers hold off because of cost.

Not all the independent grocers, and not all the symbol group retailers, are expanding, but the Big Three are certainly managing a small increase in sales at a time of declining volume turnover. It is quite possible that in the next few years the multiples might try to sell some of their smaller supermarkets (they just could not afford to pay for good managers) to the symbols, who are firmly entrenched in the villages, in the council estates, and in the suburban arcades.

Until recently the symbol shops have been used by housewives for the topping up exercise, but they are gaining the confidence to go for the big weekly shop. They seem certain to gain from the contraction among multiples, and through the decision of independent minded grocers to throw in their hands. The future may be disagreeable for manufacturers, but basic foodstuffs will consume more of shrinking wage packets, and for the first time in a decade it is possible to predict a revival for these small retailers who have committed their future to the protective arm of a symbol group wholesaler.



Sailing computers

CHARLOTTE RHODES, the schooner that graced the Onedin Line, will be pushing the Philips line next month as it tours British ports promoting and selling computers from Philips Electrologica. This is the third year that the boat has been used as a floating exhibition for office computers.

In 1973 there was a two week experimental visit to north-western ports, and last year she toured most of the major ports on a two-month expedition. During the voyage over 2,000 directors and managers visited exhibitions on board and the company reckons that £128,000 worth of new business can be accounted for by the tour. In addition the press coverage was calculated out at £30,000, which all told is a pretty good return for the £28,000 investment in the promotion.

This year's cruise is to market Philips 300 range of computers. However the Budget has been pruned down and certain east coast ports, like Kings Lynn and Hull, which proved disappointing stopping places, have been dropped from the itinerary. The prospects for the machine are executives running companies employing between 50 and 250 personnel, and the trip starts in St. Katherine's Dock, London, on August 22.

A.T.

The cost of PR

BY PAMELA JUDGE

SALARIES OF over £11,000 are paid to 4.1 per cent. of the members of the Institute of Public Relations; the average for fellows of the Institute is £10,400, and those over 46 years of age acting for insurance, banking and finance houses get on average £8,355 a year.

These are the highest paid operators in the field. The figures come from the 1975 salary survey conducted by the Institute. The results show that at January 1 the average salary was £5,733, with men getting £5,926 and women £4,315.

While 10.5 per cent. of members were paid over £9,000, nearly 50 per cent. received under £5,000.

Five per cent. of membership received no salary increase in 1974 and the average increase for those who stayed with the same employer in the year was 17.6 per cent. Those working in London got some £1,133 more than other areas in the U.K.—£6,136 compared with £5,003.

The peak age band for salaries is 41-45 where salaries were over 60 per cent. above those under 31. A quarter of members got a bonus—the average was £650 but the range was wide at £30-£3,500.

There is a curious picture in the insurance, finance and banking sector in that the age band up to 35 averaged £7,850 while those between 36-35 were paid £6,566. In national government pr the 41-45 year olds got £7,867 while the over 46s were paid £5,760 but there have been significant salary increases in the Civil Service sector since the beginning of the year.

As currencies become more unpredictable companies are turning towards barter

When tyres change into cars

BY CHRISTOPHER WEST, INDUSTRIAL MARKET RESEARCH

BARTER IS not a common term in industrial marketing circles. Check the indexes of marketing texts: there is barely a reference to barter dealing. Yet ever since Esau exchanged his birthright for a mess of pottage, barter has accounted for a significant proportion of transactions. To-day, barter, and the more sophisticated derivatives such as switch deals and counter purchase agreements, are confined to situations where for one reason or another straight payments in convertible currency are not possible: but these instances are on the increase and industrial marketing men are having to add a new dimension to their activities.

The most common and best documented barter deals are between Communist countries and the West. Once negotiated at government level, as with the series organised between the Italians and the Russians in the 50's and 60's exchanging pipelines and plant for oil products, they are now very largely the responsibility of individual companies wishing to sell into the Eastern bloc. There was a brief period in the late 60's when it was thought that Communist currencies would become freely convertible but to-day the East is in at least as much payments trouble as the West and is seeking to finance an ever-increasing proportion of trade by bilateral agreements with Western companies.

These deals pose serious problems for the marketing departments of the firms involved. The goods offered by the Eastern countries for barter transactions, tend to be those which they find difficulty in disposing of by conventional means. They may be the product of over-investment or mis-investment, giving rise to production surpluses. Hungarian Tokai, Beluga caviar and Polish vodka can find a ready enough market in the West without being part of a barter deal and are valued earners of foreign exchange.

Less happy

However, Communist manufactured goods tend to be in a less happy position: the designs may satisfy other Communist customers (who indeed may have no choice but to accept them) but in competitive Western markets the lack of knowledge of customers' requirements has a telling effect on sales potential. The Hungarians invested in a factory to produce automobile filters, many of which were types being phased out in the West, and while market research, which could have avoided this situation, has been carried out for Communist producers, it tends to be the exception rather than the rule.

A simple solution for companies faced with barter transactions is to approach switch traders who, for a suitable discount, will dispose of the products. Such deals can, however, prove financially unattractive if administratively convenient, and an increasing number of companies are being tempted to organise their own marketing operations for East European goods. When doing so they may attempt to simplify the problem by concentrating transactions on goods which, irrespective of source, do not differ significantly in specification or design. Light bulbs, jerry cans, glassware and filters can be more readily disposed of than complex machinery. There is also a growing trend towards services such as printing and even holidays where the Eastern bloc may have a competitive advantage over Western countries. This year, some 6,000 employees of GEC, Shell, Ford, British Leyland and BAC will be taking their holidays in Eastern Europe as one side of various counterpurchase equations.

This can still leave marketing departments struggling to dispose of substantial volumes of goods which by virtue of their specifications, design and origin are to varying degrees unsuited for sale in the West. They are often goods outside the normal experience of the companies involved; a chemical company found itself competing in the textile trade to dispose of goods accepted under an agreement permitting it to sell its products in the East. Furthermore, the Western company may have to sell in competition with established agents for the goods, which in addition to making the task more difficult, creates some diplomatic problems.

Most companies attempt to minimise the effect by taking products which they can utilise in-house such as production machinery and components. One motor manufacturer took leathercloth and tyres in order to sell cars. There are, however, limits to the extent to which this course can be pursued, particularly if the volumes are large. Most Eastern bloc countries operate a payments multiplier, depending on the nature of the goods that the Western companies wish to export on to them. Obviously if they require something badly enough they will release foreign exchange for it, but in the case of non-essential luxury goods they may insist that the Western company accepts imports to the tune of one and a half times, or even twice, the value of goods they wish to export. The value of the goods sold into Eastern Europe is financed out of currency so earned and the countries get a hidden bonus in the form of free marketing activity carried out on their behalf. The counter-balancing situation occurs when countries are so desperate to dispose of products that they run the system in reverse and operate a payments divisor.

Enlightened

There are signs that the situation is changing in favour of a more enlightened approach by Eastern Bloc countries. They realise that they can pressurise those companies that wish to trade with them badly enough but to what avail if the products end up on the shelves of the Railway Lost Property Office and other outlets for surplus goods at knockdown prices? The first step is to make more attractive product packages available to Western companies. To date, in addition to attempting to dispose of their surpluses, the Communist countries have tended to confine barter transactions to high value added products which maximise the contribution to employment. This has tended to narrow the range of products available and disenthuse the trading partners. Recently, however, a food company was permitted to purchase tomato essence (a low value added item) from the Bulgarians as part of a deal involving the construction of a soft drink bottling plant. The reasoning behind this was probably complex, but indicates a willingness to relax the rules.

The second step involves the implementation of industrial marketing techniques, a novel experience for those used to Communist trading practices. However, it is quite common to find East European staff in the organisations responsible for operating counterpurchase agreements who have attended courses at business schools in the West. The effects of this are beginning to be felt and, for example, trading agencies in both Hungary and Poland have expressed interest in using market research to identify the products best suited to Western markets and to develop the marketing and pricing strategies that should be adopted. So far, they have tended to leave this to their Western partners but in the past these have rarely been in the picture early enough to have any influence over the products manufactured. The prospect of carrying out market research on behalf of Eastern Bloc countries may prove daunting for most market research agencies but is probably a more workable option than Polish and Hungarian "researchers" attempting to do it for themselves.

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THURSDAY, JULY 31, 1975

Information before tax

THE ROYAL COMMISSION on the Distribution of Income and Wealth is operating in a field where a dearth of accurate and up-to-date information makes controversy even more acute than it would otherwise have been. Its first two reports, therefore, are doubly welcome—first, for assembling systematically such information as already exists and providing some new information of its own, and second, for setting out this information in a refreshingly unpartisan fashion. The report on dividends (discussed at length in the Lex column) is perhaps the meatier of the two, since it provides new information about the distribution of investment income; demonstrates both the importance of the private investor in a mixed economy and the relatively poor real return which investors in equity have earned over the past few years; and points out the disadvantages of artificial constraints on the size of dividend payments. The case for abolishing dividend control, though not explicitly stated, is plain to read between the lines.

The more general first report on the distribution of income and wealth in this country consists largely of an array of the available statistics and of plans for making good their more glaring deficiencies. It may seem symptomatic of the country's economic condition that so much time and money is to be devoted to research into the distribution of existing wealth rather than into ways of producing new wealth more efficiently.

Missing figures

A good deal of information is already available about the distribution of income and the narrowing of the gap between richest and poorest that has taken place over the years — more as a result of transfer payments, it would seem, than through the operation of a highly progressive direct tax system. There are two conspicuous gaps here which the Commission hopes to fill in: the effect of inflation (especially the kind of rapid inflation we have experienced recently) on the spread of real post-tax incomes, and the role played in this distribution both by the existence of a self-employed sector and by the widespread provision of fringe benefits.

The existence of fringe benefits, which are far from being the sole prerogative of the higher-income groups, is also of some importance when it comes to estimating the distribution of wealth. The existing statistics are very much less satisfactory in this case than in that of income and the Commission, despite its many other suggestions for improving the position, comes to the conclusion that a sample survey (for all the obvious difficulties) will probably be needed eventually to establish the facts. The Inland Revenue statistics which are usually quoted in polemics on this issue certainly show a markedly more skewed distribution in the case of wealth than in that of income. But except in the case of the very wealthy, where inheritance and gifts obviously have an important part to play, it may well be that demographic changes, together with the differences in net wealth that are an expected result of differences between age- and income-groups, play a much larger part in the shape of the existing distribution than is usually supposed.

Hasten slowly

This is even more likely to be the case when all forms of wealth (apart from minor personal chattels) are included in the statistics. These should clearly include the value of owner-occupied houses, should probably include the value of pension entitlement under not only private schemes but under the State scheme, and might well include the value of such commonly-overlooked but real assets as the right to remain a tenant of a heavily-subsidised dwelling.

Yet a wealth tax is in the making. The Government will obviously wish it to be better prepared than the recent gifts tax and the work of the Royal Commission will plainly be relevant to its proposals. Yet the Royal Commission is also looking to the wealth tax to provide it with some of the information which it at present lacks. Since it would be paradoxical to introduce a major new tax with the object of finding out whether such a tax was desirable, it may be that the very existence of the Royal Commission will help to ensure that the Government moves cautiously in this field.

Holiday reading: Mr. Benn and the Court Line affair

BY ARTHUR SANDLES

THE TWIN reports of the Ombudsman and the Department of Trade inspectors into the Court Line affair make fascinating reading. They are a catalogue of disaster and misunderstandings, of insiders who suddenly found the whole business too much to handle, and outsiders who simply did not understand the travel industry. No one comes out of the reports particularly well, notably Mr. Anthony Wedgwood Benn, for whom even the somewhat limp Department of Trade report has words of implied rebuke.

But one fact shines through the words. It appears impossible to protect the public against such collapses, in this case involving the biggest tour operator in Britain and affecting perhaps 100,000 holiday makers. All that can be offered is a safeguard for your cash.

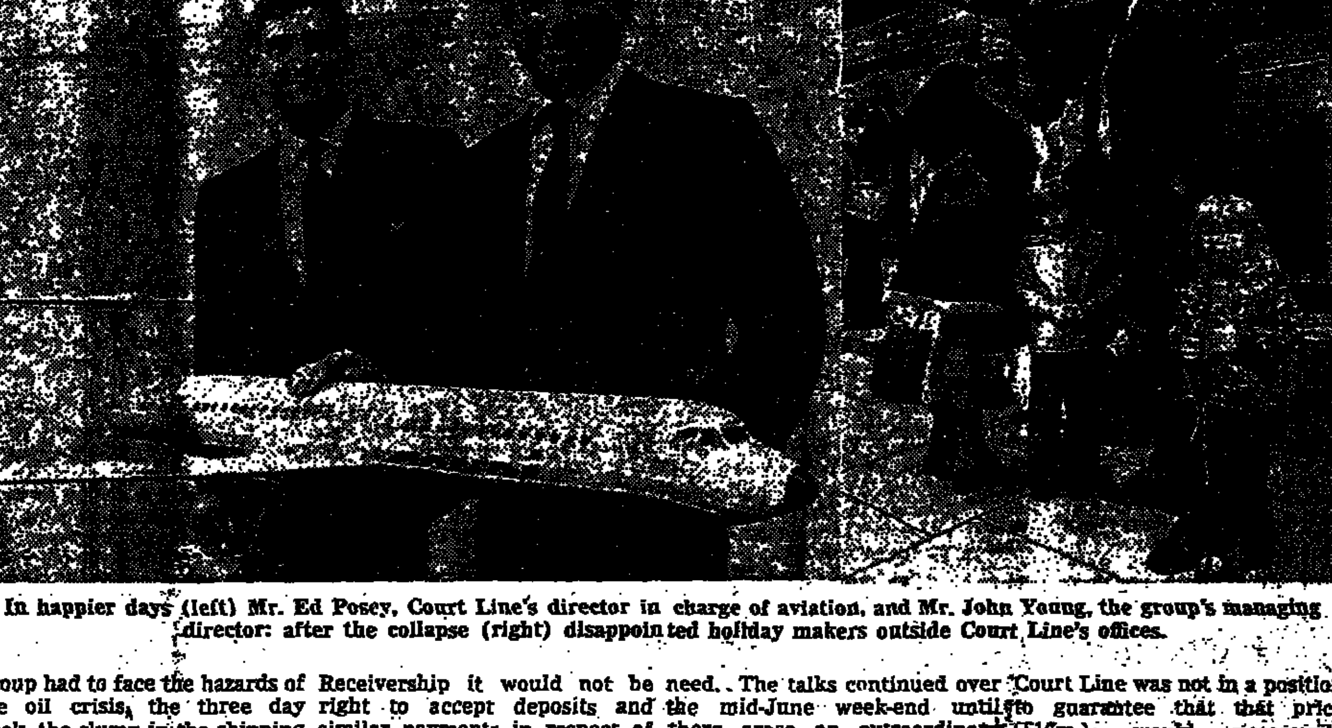
It is now almost a year since the group finally crumbled, and it has taken that time for the Department to produce an interim report. This is not a criticism but simply a statement of fact. It has taken four highly qualified men several months to unravel part of the Court Line affair. There seems little prospect, therefore, that the Government can monitor the commercial activities of the 200 or more remaining tour operators, never mind the insurance companies, kettle makers, motor repairers and other companies from which the public buys goods or services.

Alive with rumour

However you read the findings of the Department of Trade report, you might be forgiven for thinking that the stormy events of August last year were quite normal. On balance they think that August 15, the peak of the holiday season and months after the whole travel industry had been alive with rumour and counter-rumour, was the right time for Court Line to cease trading. They do not feel the company should have approached the Government for help any earlier. But when the time came, the Government was right, they feel, to intervene and should not have waited until the group went into Receivership. Short though the notice was, there was enough time to make the decision to become involved. Full acquisition was the right course, they say, and £16m. was the right price to pay for the shipyard side.

The nub of the inspectors' preliminary findings is that throughout the summer of 1974 there was still hope for Court Line and that the company was justified in clinging to this hope. That unfortunately was not the view of much of the rest of the travel industry. British Airways, as the report points out, wanted nothing to do with Court Line. Thomson certainly did not, and as far back as November 1973 light hearted bets were taken at the industry's annual convention on which month in the summer of 1974 Court Line would collapse.

The report says: "Although the Aviation Division was showing a substantial trading profit, the Aviation and Leisure Division as a whole made a loss of £3.532m. This loss is in relation to borrowings of £23.148m. and a deficiency of net tangible assets of £3.17m. It was in this financial position, as shown at September 30, 1973, that the Group had to face the hazards of the oil crisis, the three day week, the slump in the shipping market, and the reduction in the leisure market."



In happier days (left) Mr. Ed Posey, Court Line's director in charge of aviation, and Mr. John Young, the group's managing director: after the collapse (right) disappointed holiday makers outside Court Line's offices.

What the report does not say is that at that time the very best that Court Line could hope for in package tour carryings was about 400,000 passengers in 1974. From those 400,000 passengers (plus flying for other companies) the company would have been expected to claw back its £3.5m. loss, and still service the substantial debt. The market is extremely price-sensitive and there was no way in which Clarksons, the main Court Line subsidiary, could raise its prices by the £15 per head that might have been necessary, without shedding its market to Thomson—itself then entering a loss-making period—and British Airways, which stood on the sidelines eagerly awaiting the passengers that might be driven away from the ailing giant.

The inspectors' report shows the Court Line Boardroom was not unaware of the position. The National Westminster Bank told the company on June 4, 1974 that it would not extend borrowings.

In fact it went somewhat further: "They (the directors) were advised that the Bank had reservations over existing lendings, was not prepared to increase its facilities and was in fact seriously considering the appointment of a Receiver." One director, Mr. Michael Makin, was sufficiently alarmed to question whether the time had come to stop talking money from customers as deposits.

The Inspectors said: "It is recorded in respect of this meeting (on June 5, more than two months before the actual collapse) that Mr. Makin felt that with the existing threat of a Receivership it would not be right to accept deposits and similar payments in respect of future business. The evidence given to us was to the effect that this really meant deposits and similar payments in respect of shipbuilding and ship-repairing work. It was, however, we think, accepted by all the directors after questions by us that the reference was wide enough to cover also deposits and part payments in respect of holidays. Mr. Galbraith of Bankers Trust International expressed the view that the Bank should be told that Court Line could not operate under conditions bordering on a threat of receivership and it was his opinion that the group could properly continue to accept deposits and should do so. The matter appears to have been left at that, and with that view prevailing."

Whatever the position in the shipyards, at that time of the year a travel group the size of Clarksons might expect at least 400 bookings a week to be flowing in.

The next major break day, publicly, was June 21, when, after a series of meetings with the Trade Department and the National Westminster Bank, share dealings were suspended, the Government announced that it was involved in talks, and the company itself said an in-depth analysis was going on and that the holiday business should remain viable. The company was told that day that Mr. Wedgwood Benn and Mr. Wilson were both inclined to the view that the Government would take an interest in the shipbuilding, ship-repairing and engineering companies.

There was an urgency bordering on panic in the discussions, so pressing was Court Line's need. The talks continued over the mid-June week-end until there arose an extraordinary debate over the value of the assets under discussion.

In the words of the report: "A good deal of negotiation took place during that long week-end. When it came to a question of the price for the whole of the Shipbuilding, Ship-repairing and Engineering business, Court Line's side began by asking a price of £33m. and the Department of Industry began with an offer of about £10m. When we first found evidence of the asking price of £33m. we were extremely concerned, knowing that the ultimately agreed price was £16m.

"It quickly emerged from the oral evidence before us that Court Line's financial advisers, Bankers Trust International, really plucked the figure of £33m. out of the blue and it was, as they described it to us farcical.

"The explanation is that BTI, on behalf of Court Line's side, decided to adopt an elaborate negotiating stance because they 'had no idea what Mr. Wedgwood Benn's attitude would mean in terms of cash'. The true Court Line bargaining figure seems quickly to have come down to about £21m."

By Sunday afternoon the details had been arranged. "Thus an agreement was reached within five days of Court Line having approached the Department of Industry, including in that period a week-end. It was quick work."

With the week-end over two of the men involved, solicitor Mr. Michael Sayers, who was advising Court Line, and Mr. David Neville-Jones, a civil servant, made [illegible] notes of how each would report back. Mr. Sayers' memo said: "Report Court Line was not in a position to guarantee that that price (£16m.) would necessarily enable the Aviation and Leisure Divisions to continue throughout the 1974 summer season."

And Mr. Neville-Jones scribbled on his notepaper: "Back to negotiations at 3 p.m. (Our proposal) accepted, but Court Line cannot say leisure division then viable for foreseeable future. But is sufficient possibility of bringing this about in time envisaged to warrant directors continuing (to trade). Wording of statement crucial to confidence."

When Mr. Wedgwood Benn came to make his prepared statement in the Commons he was briefed with an answer to the obvious question—What about holidaymakers?

The prepared answer contained the key sentence: "Obviously I cannot give guarantees about an independent commercial operation, but certainly people's prospects of getting their holidays have been greatly improved by the Government's action."

Instead Mr. Benn used words which have since caused him problems: "... making possible the completion of £48m. worth of expected further orders and safeguarding the holiday-makers."

On July 8, Court Line chief executive Mr. John Young and his fellow director Mr. Makin saw the accountants, Peat Marwick. Mr. Young said he saw no long term future in the remaining part of the Court Line business. On July 12 there appeared a Peat Marwick report which talked of a serious lack of time in which to solve the group's "pressing liquidity problems." By mid-July a decision was needed on whether or not to print a 1975 brochure. Not to do so would be to tell the world of the problems. But to go ahead would involve a bill of £1.5m. "It never was, in fact, ordered or published."

Things became steadily graver, and by the end of July there was general agreement that the right course was an orderly winding down of Court Line, avoiding liquidation. Mr. Young gave an undertaking that Court Line would not allow a rapid deterioration which would precipitate a last minute salvage operation. In spite of this, preliminary arrangements were made for such a rescue. By now bookings were coming in for the winter of 1974-75 at the rate of 8,000 a week.

Obviously there was a question, during the final stages, whether the company was still right to accept deposits for the winter season when, as the report says, the evidence was that the company was only likely to survive a few weeks. The inspectors, however, say that the company would have been wrong to turn these bookings away.

"To have suspended the acceptance of winter bookings would, of course, have advertised and indeed invited imminent collapse. The omission to do so is therefore understandable." But the report was not considering the morality of the position, only the legality. The company was either trading fraudulently, or not, and if it was not then it could continue accepting bookings.

It was all over

On reflection it is now clear that, by that stage, it was all over. All that remained was for the National Westminster Bank to grow even more worried than it had been, and for British Airways to give a final thumbs down to any deal. Attempts were made to help out, including the offer of a £5m. Government indemnity, so that customers would get their holidays. But the problem was that foreign hoteliers and other creditors might then start seeking to impound aircraft.

"By the end of August 15, and taking the reaction of everybody concerned into account, it became apparent that Court Line could not lawfully or in practice continue trading."

A serious error of judgment

THE QUESTION which the Parliamentary Commissioner was asked to investigate after the collapse of Court Line last year was whether the public had been misled by Government statements on the matter, particularly those made in the House of Commons by Mr. Anthony Wedgwood Benn, then Secretary of State for Industry, on June 26 and July 1. The Commissioner's conclusions are clear. The Minister's statements implied that holidaymakers could, in the Government's view, safely go ahead with their holiday plans for 1974. The failure to give any specific qualification as to the security of the 1974 holidays was likely to mislead the public.

Guarantee

The same conclusion was reached by the Department of Trade inspectors who were appointed to examine the circumstances leading to the collapse. Dealing with the effect of the Minister's statement on an ordinary member of the public, the inspectors say: "What he would look for is whether the Government's assurances were qualified or not and we believe that what should have been made plain was that no actual guarantee could have been given. This he would understand. From what was said he could not reasonably be expected to assume it." The inspectors point out that Government statements on an issue of this kind carry very great weight and have to be drafted with corresponding care. In their view the statements were "not fair and reasonable in the circumstances: accidentally no doubt, but nevertheless so."

Three days before the Minister's first statement, at a meeting in the Department of Industry, one of the company's legal advisers had warned that the price of £16m. agreed for the Government purchase of the Court Line shipyards would not necessarily guarantee the security of holidays booked for the 1974 season. The significance of this comment does not seem to have been fully appreciated by those present. The inspectors say that it did not make much impact and it was not reported back to Ministers.

Yet the Minister cannot and does not claim that he was misinformed by his officials. The information about Court Line's financial position was known to be inadequate; it was clear to the Minister and his advisers that no guarantee as to the 1974 holidays could be given. Indeed, officials prepared answers to possible supplementary questions in the House of Commons and one of these included the sentence: "Obviously I cannot give guarantees about an independent commercial operation." But the sentence was not used. The Minister could have included a suitable qualification but did not do so.

Mr. Wedgwood Benn argued to the Commissioner that his remarks did contain an element of reservation: phrases were used like "should stabilise the situation," "some reasonable security." He was also anxious to avoid saying anything which might precipitate a loss of confidence in the company. But the Commissioner concludes that insufficient regard was paid to the principle that undue confidence should not be created or maintained.

In the light of the two reports it is difficult to see how the Government can continue to argue that the statements made to the House were right. As the inspectors say, if any error had to be made it should have been on the side of caution. The failure to exercise caution was a serious error of judgment for which Mr. Wedgwood Benn must accept responsibility.

MEN AND MATTERS

Diamond's way

His Royal Commission was very different to ordinary Royal Commissions, remarked Lord Diamond yesterday. They took three years to produce one report and the modern trend was for them to be much concerned with policy. His was concerned solely with facts and its job was to produce three reports in one year, or at least try to. Here were two of them, produced since the team started work last August, even if from Diamond's reluctance to put a date on publication of the third, the one on £10,000-*plus* incomes, indicated that that one, which might sound the simplest, was proving a bit of a sticker.

Not that anyone so far had been unco-operative, said Diamond, offering only praise to the many and varied evidence-givers, from the CBI to the Communist Party, Lin Pac Containers to the Low Pay Unit, the Selsdon Group to the Women's Liberation Campaign for Legal and Financial Independence. But in introducing the reports yesterday, Diamond's main intent seemed to be to reinforce the remarks inside them about gaps in our knowledge about other people's money. He posed the question whether permanent machinery to fill the gaps was "needed by any government in a modern democracy."

Diamond's implication was clearly "Yes," but he was doing his best to offer no opinions or interpretations. This is not too difficult for Diamond. When a Labour MP and Chief Secretary to the Treasury, you could often mistake him for a civil servant. He has a scrupulous, professional reluctance to jump to conclusions, an accountant's prejudice in favour of facts.

So fears that this Royal Commission, like not a few in recent years, would end up full of cant and majority conclusions, were probably groundless from the start. What Diamond really thinks of his findings is, for now, anyone's guess. Yesterday, when he said with relish that some of those who gave evidence would find the statistics did not match their carefully prepared views, there was no way of telling if he thought the lack of appreciable redistribution through the whole scale, or the surprisingly low wealth percentages held by the top few, would cause the most red faces.

Pity them

A colleague recently rang his home in London from a local call box, got a crossed line and lost his 2p. So he rang the operator and asked to be connected for free, not wanting to lose his only remaining 2p piece on another crossed line.

In the past operators would trustingly do this for you. But the girl said she couldn't, and not, apparently, because trust is dead. No, she couldn't connect him free, nor could she connect him if he put his remaining 2p in the box, because local calls through the operator are now 4p.

She could however transfer charge the call to his home. But he objected because this would cost him 4p for the call plus the 2p he had already lost. If he did this, however, she said, she could refund him the 2p he had originally lost — making the total cost only 4p.

Why not credit the home telephone account with the difference rather than sending the refund through the post? Not possible, she said.

By this time in a reckless gambling mood, my colleague decided to dial his home direct again, hoping the crossed line had cleared, which it had. But first he gave his name and address to the operator for the 2p refund which duly arrived in the form of four ½p stamps, a useful start towards the cost of a second class letter these days, and an official form with rubber stamped apologies for inconvenience from the area general manager.

The net cost of the call was therefore 2p — to my colleague that is. But with masses of other mean, quick-witted and argumentative users around to get crossed lines, just how is the Post Office going to stop losing money?

"Guns aren't lawful;
Nooses give;
Gas prices are awful;
You might as well live."

Triumph old boys

Where have all the secondary bankers gone? In the case of three, from the failed Triumph Investment Trust, the answer is Bremarbank, also secondary, in the sense that it is recently formed, operates under a 123 certificate and is not a Listed bank. But there, so its head Erwin Brecher claims, the similarities cease, because he did not lend to property, has matched the term of loans to deposits, and, most obviously, is not bust or being assisted. The accounts to March this year show pre-tax profits slightly down at £830,602, but deposits and after-tax profits slightly up.

The three ex-Triumph Investment Trust men who have joined Brecher are Leonard Richenberg, former Oxford don, Treasury official and the managing director of Triumph who resigned shortly before the final collapse—his wife died and he had a young family to bring up alone. He is still not full-time, joining Bremar Holdings as a consultant, as is another of the Triumph recruits, Herman Knoll. Christopher Case, the third, has joined full-time, as has Robert Clarke, ex Samuel Montagu and Slater Walker.

Brecher's recruitment from Triumph has a reason. He used to work there. Like Triumph's Tom Whyte, he is Hungarian-born and both were specialists in switch trading, fixing deals between countries with soft currencies and a shortage of foreign exchange. Brecher sold out his first business to Whyte for £2½m. in 1966—he says he still held TIT shares once valued at a million when Whyte's group went down. But by 1969 the two emigré financiers had parted, not very amicably, and Brecher started on his own again.

At 62, Brecher philosophises that he escaped the property collapse "because I know that what goes up must come down: besides we were too small to have ever got really involved." He last saw Tom Whyte in New York and thinks Whyte intends to start afresh in the U.S.

Out of the blue

The band was playing in Finsbury Circus yesterday, one of the stifling City's few sops to summer. It was Mr. Malcolm Burnock and his Orchestra. Very nice too, with contented capitalists playing bowls on the lawn beside. But who knows where revolution stirs? The first number on the programme read: "Strike up the Bank—Gershwin."

Observer

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هكذا من الأجل

ECONOMIC VIEWPOINT

BY SAMUEL BRITTAN

Statistics for our present age of envy

VERY OFTEN a document, hailed in advance as a major contribution to knowledge, or a serious policy statement, turns out to be a seedy mixture of partisan misrepresentations, stale Dunkirk-type clichés and transparent wooing of interest groups. The recent White Paper *The Attack on Inflation*, with its bathetic ending: "This is a plan to save our country," is a good example.

Occasionally the reverse occurs, and the angels blow so hard on their trumpets that they are in danger of being dislodged from the baroque ceilings on which they reside. This has happened with the first two reports of the Royal Commission on the Distribution of Income and Wealth. It was widely feared that the Commission would produce selective statistics to support a "soak the rich" and "knock the capitalists" approach. Instead it has produced one useful, although admittedly incomplete analysis of income and wealth distribution, and another of the role of dividends in the corporate sector.

Attitudes

It may help people to evaluate the Commission's first income and wealth report if I list in oversimplified form the main prevailing attitudes to the distribution of income and wealth, with proper names and footnotes where the attitudes may be unfamiliar. Unless we have at least a rough idea what our aims are, we will not have the slightest idea what to do with the mass of information unearthed.

GROUP A

1—The distribution of income and wealth arrived at through a competitive market and "just transfers" between individuals or through inheritance is morally justified (Robert Nozick).[1]

2—As (1), but modified to promote either "more opportunity" or "equality of opportunity" for the less advantaged.

3—There is no such thing as a "just distribution" and its pursuit will lead to many unintended evils (F. A. Hayek).[2]

4—As (1) or (3): but there should be a redistribution of property rights to take into account the power realities of society, and thus buy off threats to individual rights and economic efficiency (James Buchanan).[3]

5—A just system is one that people would accept if they had no idea of their own place in society or whether their own talents were likely to be in demand (John Rawls).[4]

GROUP B

6—Equality is the ideal, although a compromise may be required with other objectives such as liberty and prosperity.

7—Equality is not the ideal, but a view should be taken about distribution, at least to the extent of levelling up the conditions of the poorest.

8 (a)—Inequalities are justified only if they improve the position of the least well off, for example, by promoting prosperity (John Rawls: It is possible to accept his starting proposition, No. 5 above, without accepting this inference).

8 (b)—Redistribution is justified only if it improves the position of the least well off. (The "Brittan" modification of Rawls, which shifts the onus of proof where knowledge is imperfect.)

9—Differences in income or reward should reflect "merit," or "value to society" (other than as measured in the market). This has been the most popular view on both Left and Right throughout the ages; but violently conflicting implications have been drawn from it.

These viewpoints do not exhaust the possibilities and are not necessarily mutually exclusive. None, not even 8(b), represents my own position. Group A viewpoints concentrate on the rules of the economic game, while Group B ones take a position on what the results of the game should be, and are therefore known as "end state" positions. Inevitably, a largely statistical analysis, such as the Royal Commission's, concentrates on "end states," although not, thankfully, on the "merits" of different occupational groups.

The broad conclusion is familiar. Wealth is more highly concentrated than income: but the degree of concentration of both is coming down.

As can be seen from my summary table, the top 10 per cent. of income earners in 1938-39 had an estimated 40 per cent. of total pre-tax income and 35½ per cent. of post-tax income. By 1972-73 these percentages came down to 27 and 23½ respectively. The Commission rightly states that the big change came in the war and postwar decade. It adds that subsequent changes have "not been very pronounced," but this ignores the effects of very rapid inflation and progressive non-indexed taxation in the past couple of years in bringing about a much bigger depression of incomes in the upper brackets than any Government planned or intended. This has probably brought about as big a shift in distribution compared with 1948-49 as the one that took place in the post-war decade.

In 1972-73 the top 10 per cent. earned above £2,850 a year before tax, the top 5 per cent. above £3,500, and the top 1 per cent. above £6,200. The latest available data suggests that incomes have risen by around 75 per cent. since then. The tax tables and a little back of the envelope arithmetic suggests to me that the share of top 10 per cent. cannot now be much more than 20 per cent. after tax and the top 1 per cent. might receive 3-3½ per cent.

INCOME DISTRIBUTION

SHARE OF TOTAL INCOME (%)

	1972/73 Before tax	1972/73 After tax	1938/39 Before tax	1938/39 After tax
Top 1 per cent.	6.4	4.4	17.1	11.7
2-5 " "	10.8	9.8	14.4	12.5
6-10 " "	9.7	9.4	9.0	9.0
Top 10 per cent.	26.9	23.6	40.5	34.6
11-20 " "	15.8	15.8	11.9	12.7
21-80 " "	51.5	53.9	n.a.	n.a.
80-100 " "	5.8	6.8	n.a.	n.a.
Gini coefficient*	37.4	33.1	42.3	n.a.

* The Gini coefficient is a rough and sometimes misleading guide to the concentration of income. The lower the coefficient the less the "inequality."

Source: Royal Commission (tables 10, 57 and 58).

If the excess share of the top 10 per cent. were divided among the remaining 90 per cent. they would get an average augmentation of one-ninth of their post-tax incomes—making the absurd assumption that this would not affect the total of incomes and that the ports would be closed to immigrants. This augmentation of £4 per week would be the lot, with nothing further to gain from "redistribution."

One of the weaknesses of talk about "greater equality" or of the conventional indices of "inequality" is that they do not distinguish between re-distribution away from the affluent, which need not make the poor at all better off, and the levelling-up of the bottom end of income distribution.

At first sight it would seem that those moved by compassion rather than envy should concern themselves with the bottom 20 per cent., who received less than 6 per cent. of the total before tax and less than 7 per cent. after it. But income recipients are of very different family status. A retired person receiving £1,500 a year is much better off than the breadwinner of a large family receiving the same amount. A more direct approach to poverty is required.

Most popular attention will, however, concentrate on the question of whether it is true, as one hears at nearly every trade union conference, that 10 per cent. of the adult population owns 80 or 90 per cent. of personal wealth. Even on the basis of Inland Revenue estimates, which assume that those not covered for Estate Duty purposes have no wealth, the proportion owned in 1972 by the top 10 per cent. was down to 72 per cent. Adjusted for probable undeclared wealth the proportion was 67 per cent. compared with 77 per cent. in 1960 and a rough 90 per cent. for the whole period 1911-1938.

If occupational pension rights are included, the 1972 share of the top 10 per cent. comes down slightly to 64 per cent. The really big change comes from including State pension rights, which brings the holding of the top 10 per cent. down to about 45½ per cent.

Should they be so included? Pension rights are certainly valuable assets; but they are not marketable. It seems to me that they should count, but some allowance should be made for their non-marketability.

Wealth

A much more interesting question is: what do these figures actually tell us about the concentration of wealth? It has often been remarked that if all individuals had equal lifetime wealth, but saved gradually increasing amounts up to retirement and then ran down their savings, the statistics would still show an apparent concentration of wealth. The Commission's most useful work has probably been done on this question.

There is indeed a bunching of wealth over a lifetime. But retired people do not run down their accumulated savings by the end of their lives, because of uncertainty about how long they will live, the desire to leave something to a spouse or other relative, or for psychological reasons. The evidence points to an "age effect" rather than a life cycle one.

Neither age effects nor income differences can account for the share of wealth held by the top 1 per cent. where "the impact of inheritance remains considerable." How much of total personal wealth did this 1 per cent. hold? In 1911 it was estimated at 69 per cent. by 1938 it was 50 per cent., by 1960 it was down to 38 per cent. and by 1972-73 it had reached 28 per cent.; and if national and State pension rights are included in wealth holdings, it was only 17½ per cent.

In other words, we have moved from a pre-World War I situation where the wider dispersion of the wealth of the top 1 per cent. could—if it could have been carried out without adverse side effects—have made the bulk of the population substantially better off, to a situation where this is simply not the case.

It is an admitted weakness of the main report that income and wealth are treated as different substances. But if we want to look at people's material well-being, the two must somehow be brought together. In theory, it should be possible to translate all income into wealth by capitalising people's future earnings. Similarly, wealth could be translated into income by looking at the yield, whether pecuniary or not, of all personal assets. I will have a rough shot at the second approach.

Some 10 per cent. of pre-tax income in 1973 came from rent, dividends, and interest or the "imputed rent" from owner-occupation. This would suggest that earnings from employment, self-employment and social service benefits were nine times as important as marketable capital assets as a source of people's cash income. Let us, as a better-than-nothing guess, reduce this ratio to four to one to allow for the non-pecuniary and under-recorded benefits of capital ownership, and also for the "security" advantages of possessing marketable assets.

On this weighting, and using wealth statistics excluding pension rights, my own estimate is that the top 10 per cent. enjoy a little less than 30 per cent. of the nation's material resources; and the top 1 per cent. just over 7 per cent. This leaves out of account distortions due to "age effects" and fluctuating income, which inflate the share of the top 10 per cent. It also omits the value of rent-controlled and council tenancies, as well as the more controversial topic of "human capital." Yet it is for the jealousies engendered by such disparities that we tear ourselves apart and endanger the life of the corporate sector in the way described in the Commission's other report on dividend distribution.

I do not need to be told that there is every kind of perk, dodge and untaxed benefit from shop floor to boardroom. Indeed, if the economy had been as egalitarian as the statistics suggest, we would have become an economic slum decades ago. As it is, we pay a high price both in lost wealth and in the diversion of human energies for the service we render to the envy of the age.

1 Anarchy, State and Utopia, Blackwell 1974
2 The Constitution of Liberty, Routledge, 1960
3 The Limits of Liberty, University of Chicago Press, 1975
4 A Theory of Justice, Oxford 1972

Letters to the Editor

Safety of ships

From The Chairman, Lloyd's Register of Shipping.

Sir,—I have read Mr. Brian Laughton's letter (July 30) with great interest, although I was already aware of the extreme concern with which the International Transport Workers' Federation have always viewed this matter.

Perhaps it may help to clarify the situation if I state briefly the duty of a classification society. The object of classification is to ensure that ships are built of good materials and according to strict rules so that they are strong enough and sound in design for the purpose for which they are intended. The plans for the ship are assessed and, if found satisfactory, the ship is then built under surveillance by the society's surveyors.

In order to retain class, the owner has a duty to report any damage sustained or alteration planned and to have that damage repaired or alteration made under the surveillance of an exclusive surveyor, of which Lloyd's Register has 948 stationed in 167 outposts in 58 countries. Second, the owner has to present various items for periodical survey according to a strict time schedule.

It will be appreciated from what I have said that Lloyd's Register of Shipping is concerned with fact. We can and do inspect ships all round the world. We can and do take appropriate action on the *facts* that our surveyors report to us as a result of those inspections.

There are many causes of ship casualties. The only one which impinges on our work is the state and condition of the ship and its equipment. We are satisfied that the ships classed with Lloyd's Register are sound at the time we inspect them and, barring truly freak circumstances, a casualty from a structural failure will not occur. The other possible causes of accidents at sea—which I know Mr. Laughton appreciates we regret as much as anyone else—are those over which we have no jurisdiction. It would therefore be improper for Lloyd's Register to express an opinion on them.

May I add that I think Mr. Laughton is a little hard on the Liberian authorities in his criticism of their report. The Seagull was lost on February 17/18 1974. The report was published in September and, by my reading of it, makes no attempt to do other than fully to expose the facts.

R. A. Huskisson.
71, Fenchurch Street, E.C.3

Alarm on pensions

From The Managing Director, Charterhouse Pensions.

Sir,—Having followed the progress of the Social Security Pensions Bill with considerable alarm at times, for the very lack of progress in the vital area covered by the letter (July 29) from your three eminent chairman correspondents I am still left with a strong feeling that "contracting out" has been made as economically unattractive as is politically possible.

It is quite evident that the Secretary of State (Mrs. Castle) has been motivated by her somewhat extreme political dogmas, and has not assimilated the down-to-earth practical considerations which it is necessary to understand in order to operate in the real world of business economy, although the Minister of State has made great endeavours to understand and to meet the difficulties.

Added to these problems in the Remuneration Charges and Grants Bill, the development of pensions is also—not only as pointed out by your correspondent, Brian Cullingford (also July 23) which might be regarded as short term—but by creating a sense of great unfairness to individuals about to retire.

In the debates reported in Hansard for July 23 and 24, it is quite evident that either Mr. Foot has no understanding of the penalty the restrictions would impose—long term—on those retiring in the next two to three years, or that he does not care. Certain privileged sectors, for example in the civil service have "looked after" themselves and notional salaries are allowed as a "pension base," but the Secretary of State (Mr. Foot) steadfastly managed to avoid answering the very pertinent question raised, by Mr. Paul Dean and others, about the enforced "reduction" of pension levels which would result from the artificial limit on wage increases. This can hit anyone from about £2,500 p.a. and upwards in salary. It can reduce the "final pensionable salary" (FPS), on which the majority of good schemes are based, quite appreciably, thus negating the whole concept that pensions are relatively inflation protected up to the point of calculating the FPS.

This merely emphasises the point raised by Mr. Cullingford, and so well appreciated by many thinking people, that this spate of half-thought legislation is a complete menace, not only in its results but in its unnecessary absorption of so much Parliamentary and other time in an endeavour to make sense out of it. One can only hope that, before the latest Bill becomes law, the Government and, in particular, Mr. Foot, allow the £6 limit not to prejudice either individuals about to retire shortly or pension fund development.

The debate in the House on July 29 clarified a few points but did not remove the damage done long-term to people retiring within the next three years by the reduction of their FPS and therefore the lower pension granted.

L. P. Cleminson,
23, St. Swithin's Lane, E.C.4.

Galvanise the City

From Mr. N. Stacey.

Sir,—"An answer to the City's critics" (Michael Blanden, July 29) will remain unconvincing if it relies largely on the dissemination of information about activities going on in the square mile. Good work by committees churning out impeccably argued intelligence on the role of the City, and on how well it functions, are unlikely to endow the City with a better standing in the eyes of its critics.

To begin with, however well argued a case may be presented on a contentious issue, such a document would be read largely by those participating or interested in City affairs and by those who consider its working anathema anyway. The first group needs no convincing and the second is largely incontrovertibly dogmatic — hence the radius of effectiveness of such reports, alas, is likely to be narrow. Nonetheless, there is every reason why instructive literature should be prepared and distributed as part of a much-needed education process about the anatomy of business in Britain.

I submit, however, that the main burden of the work that needs to be accomplished lies elsewhere. What is required is the prevention, as far as this is possible, of easily formed dogmas about concepts for which the City stands in the public mind—for example banking, profits, capital gains, money raising, dividends, capital markets, etc. Attitudes to such business realities are formed at a reasonably early age—hence those concerned with City activities should involve themselves in several aspects of the educational process and at various levels. Those who believe in the efficiency and honest conscience of the City must try and proselytise. How many senior executives and directors of financial institutions of any kind lecture at technical colleges, universities and schools? How many of them give talks to their staffs about the ethos of their work, the aims and objectives of their firms? Or how many have become examiners at commercial or technical colleges? Few indeed.

I am afraid too many "private conversation" champions of the City preach to each other only. This won't take us very far when adversaries are constantly assailing its role throughout the educational system and everywhere else. As Professor Schumpeter warned 50 years ago—capitalism will die because there is no-one to defend it! Much of the free enterprise community is happily working away unwilling to defend their ideas or unaware that this needs to be done. The field has been and remains open to its critics. Cannot the protagonists of the City galvanise themselves into action on several fronts at once before it is too late?

Nicholas A. H. Stacey.
Reform Club,
Pall Mall, S.W.1.

Make what is wanted

From Mr. T. Robinson

Sir,—When will Mr. Peter Shore accept the plain fact that foreign car sales in Britain are increasing simply because they are better value for money than British cars?

So-called Japanese "dumping" would be rendered impossible if British cars were cheaper to buy, more economical to maintain, better designed and less trouble to run than their competitors. Import controls, anti-dumping legislation, and calls for mis-placed patriotism may well restrict the rights of the British public to spend an already over-taxed income—but will not work for export markets. So stop waving the Union Jack at home, Mr. Shore, and start waving it abroad—backed by a British product which can withstand the competition!

T. P. Robinson.
24 Cranford Park Road,
Hayes, Middx.

Valuable time

From Mr. F. Stark.

Sir,—I note from the article by Harold Bolter (July 29) that the Post Office expects to achieve a manpower reduction of 6,000 by the early 1980s through the mechanisation of its letter coding and sorting operations.

Working on the P.O. figures of 35m. letters per day (less the 7.8 per cent. lost since the last postal increase) if it takes those of us who send the letters just four seconds to add the ridiculous post code to each letter the time consumed by us will amount each year to about 7,500 worker years at 35 hours per week for 50 weeks.

Surely this shows that nationally postal codes are an economic absurdity? And this without taking into account the millions of pounds to be spent on the equipment for the operation.

Obviously the people who thought out this system never considered the time the rest of us would have to spend writing the codes. Or if they did they must have decided our time was of no value to either ourselves or the community.

F. Stark.
"Highlands,"
176, Southend Road, Wickford.

Change the rules

From Mr. J. Strafford.

Sir,—With reference to the "Prentice affair," it is difficult to understand whether this is the beginning of the silly season or whether it is a minor convulsion of the establishment beginning to fight back.

The simple truth is that Newham Labour Party has decided to get rid of Mr. Prentice by the same method by which he was selected. I do not recall any outcry by the media when he was selected and not surprisingly, for most Members of Parliament of all parties are selected in a similar fashion.

It would be more appropriate for the *Press* to attack not the small number of people who have used the rules but the rules themselves. I doubt if there are more than half a dozen Members of Parliament who can say that they were selected to stand for Parliament by all the members of their local constituency party in an open contest.

Until there is a secret postal ballot of all the members of local parties (possibly with elimination rounds to reduce the numbers applying for selection) in which any member of the party may stand for selection, then those who live by the rule book shall die by it.

John E. Strafford.
"Perama," Fulmer Road,
Gerrards Cross, Bucks.

Wanton way of VADD

From Mr. M. Freegard.

Sir,—Mr. E. Pond's complaint about direct debit (July 26) is well founded, but there is worse yet! In his case there was at least a valid standing order in force. In my case the dreaded "DD" disease (the more dangerous variety known as "Variable Amount Direct Debit") struck without warning in respect of my annual subscription to the Automobile Association, a body from which I had intimated that I would resign rather than accede to its request that I give it carte blanche to raid my account for whatever amount and whenever it chose.

I instructed the bank to *cancel* my standing order — and, this duly acknowledged, I thought myself immune. "Even though the AA is not an organisation particularly noted for respecting its members' wishes" I thought to myself, "I am out of reach." Fond hopes! VADD, being no respecter of standing orders, cancelled or otherwise, had its wanton way as I discovered two months later on receipt of my bank statement. The bank had paid an unauthorised amount to an unauthorised payer—and on an unauthorised date to boot!

M. J. Freegard.
Flat 9
22 Park Crescent, W.1.

Building orders drop 12%

THE VALUE of building industry orders was down by 12 per cent. in the three months between March and May this year compared with the previous three months.

Work ordered in May amounted to £457m., a drop of £110m. compared with April's figure of £567m.

In the public housing sector for the March-May quarter, orders were 4 per cent. down on the previous three months

To-day's Events

GENERAL
Public hearing by Civil Aviation Authority of British Caledonian Airways application for fares to be raised on British Airways' London-Glasgow "shuttle" service.
London taxi fares go up by 25 per cent. with minimum fare of 30p.
Second day of Helsinki conference on security and co-operation in Europe.

PARLIAMENTARY BUSINESS
House of Commons: Proceedings on the Consolidated Fund Appropriation Bill.
House of Lords: Iron and Steel Bill, a consolidating measure, report and third reading. Sex Discrimination Bill, report (second day). Elections (Welsh Forms) Regulations 1975.

OFFICIAL STATISTICS
Housing starts, completions and grants (June).
Bricks and cement production (June).

COMPANY RESULTS
Barclays Bank (half-year).
British Sugar Corporation (half-year).
Fitch Lovell (full year).
Prestige Group (half-year).
Reed International (first quarter).

COMPANY MEETINGS
See page 17.

BALLET
Margot Fonteyn partners Attilio Labis in the pas de deux from the third act of The Sleeping Beauty, Sadler's Wells Theatre.

SPORT
Cricket: Second Test, England v Australia, Lords.

COMPANY NEWS + COMMENT

De La Rue first quarter profit setback

FROM sales up by nearly £4m. at £27m., first quarter pre-tax profits of the De La Rue group of security printers, makers of plastic products and materials etc., have fallen from £2.5m. to £769,000, with stated earnings per 50p share down from 9.9p to 1.8p.

Reporting the results at yesterday's annual meeting, the chairman, Sir Arthur Norman, said they were, as expected, sharply reduced from the levels achieved in the first quarter of 1974-75, which included Formica results which had only been exceeded once in any previous quarter.

This year the figures reflected the continued downturn in the demand for Formica products in most areas of the world, coupled with the effects of industrial action in the Crosfield and Security printing businesses.

These latter problems had resulted in a loss of impetus in the first half, and this would have the effect of concentrating profits for the year as a whole in the last two quarters, Sir Arthur added.

Improved Security profits for the year were expected to be accompanied by a measure of recovery in the Crosfield operations, although the outlook for Formica products in current conditions remained unfavourable.

There were many uncertainties in the economic situation of the country, the chairman said, but on information at present available, the Board expected the outcome of the year to be in line with its stated aim of producing reasonably steady results in this difficult period.

For the full year to March 31, 1975, sales were £100m; pre-tax profit £8.27m. and stated earnings 26.2p per share.

First quarter results are compared in the table. Trading profit expressed as a percentage of sales slumped from 9.1 to 0.4.

	First quarter £000 1975	£000 1974	Year £000 1974-75
U.K. sales	7,656	6,452	27,484
Export	6,168	3,924	21,849
Overseas subsids.	13,191	12,797	47,770
Total sales	27,046	23,173	100,103
Trading profit	121	2,117	6,513
Share associates	645	416	1,761
Profit	769	2,533	8,274
Profit after tax	111	1,330	4,388
Minority credit	173	-414	-624
Attributable	271	926	3,764
Pref. of Pref. div	3	4	12
Attributable Ord	268	922	3,752

* Debit.

● **comment**

Down 16p to 142p yesterday, the De La Rue share price has dropped nearly a fifth this week—and first-quarter profits down by 70 per cent. pre-tax explain why. Last year's Crosfield acquisition has moved into the red, having contributed around £1.5m. to profits in the second half of 1974-75, and plastics—which had a particularly buoyant first quarter a year ago—has seen last year's final quarter losses blow up into real trouble this year. The overall minority loss points to a turnround in laminates of well over £1½m. pre-tax. De La Rue's security printing operations are still moving forward, and the group reckons that as this year progresses it will be able to claw back some of the earnings ground lost to date. Meantime, the yield is 11½ per cent., and the group balance sheet started 1975-76 with a fair amount of financial leeway.

INDEX TO COMPANY HIGHLIGHTS

Edbro turns in peak £1.81m.

THE IMPROVEMENT in pre-tax profit forecast by Edbro (Holdings) for the year to March 31, 1975, turns out to be from £1.61m. to a record £1.81m., after a marginal rise to £0.87m. at halfway.

Sales increased in money value by about 35 per cent.—in real terms the increase was about 16½ per cent., attained with almost the same labour force, says the chairman, Mr. L. V. D. Tindale.

Earnings per 25p share increased from 11p to 12.35p, margins declined by 1½ per cent. as a result of price control at home and pricing difficulty in dollar territories. The dividend is raised from 4.3929p to 4.6698p net with a final of 3.1698p.

Mr. Tindale yesterday reported that the first quarter of the current year had been "magnificent," but the company was now working some 75 per cent. of its higher capacity.

He added he would be surprised if there was a turn-up before the beginning of 1976 "and it might be delayed."

The company would, however, continue with a further £0.5m. improvement project which would come on stream in the middle of next year.

He did not see any financing problem on the business as at present running, although a net cash position of £0.2m. had been reduced to a net overdraft of £1m. by March. Since then the net figure had been substantially reduced, coming down to around the £0.7m. level.

Cautious about making predictions, he said he did not at present see this year's profits as likely to equal last year's but did not expect a "catastrophic fall." The first half might show a small down-turn.

The longer term, he said, continued to look attractive having regard to increased capacity in manufacturing units and greater spread in sales territories.

The company manufactures hydraulic tipping gear and mechanical-handling equipment, etc.

● **comment**

After a virtually unchanged first half, Edbro's pre-tax profits are 13 per cent. ahead on margins lower by a sixth. However, the drop in U.K. commercial vehicle production of 13 per cent. in the second quarter of the calender year is going to make a dent in second-half profits. Overseas sales, which have risen to 55 per cent. of the total, are also under pressure from oversupply in the Middle East, recession in Europe and the good performance of sterling against the Canadian dollar. Nevertheless, the group has shown seven years of uninterrupted profits growth and is still returning over 30 per cent. on book assets, despite the recent rapid updating of plant. In addition net borrowings of £1m. at March (since much reduced) are supported by shareholders' funds of £5.7m. At 60p, down 1p last night, a yield of 12.6 per cent. and a p/e of 4.6 seem to be discounting a relatively depressed set of results next year.

Wholesale Fittings' growth

SALES FOR the year to April 25, 1975 of The Wholesale Fittings Company increased from £8.09m. to £9.44m., and pre-tax profit advanced from £0.83m. to £0.99m., after £0.46m., against £0.36m. for the first half.

Stated earnings per 20p share increased from 10.6p to 12.9p for the year, and the dividend is raised from 4.02p to a maximum permitted 4.29p net with a final of 2.79p.

The results, achieved at a time of recession in the building industry, indicate how little the company is dependent on new house building, the directors state.

Sales for the first two months of the current year are of the same order as the comparable period but costs continue to increase. The company, electrical distributors, is well placed to take advantage of any upturn in trading conditions, they add.

	1974-75 £000	1973-74 £000
Sales	9,440	8,091
Profit before tax	987	831
Tax	531	459
Net profit	456	372

● **comment**

Wholesale Fittings' second half turns out to have been far better than was indicated at the interim stage. After a 23 per cent. pre-tax increase at six months, the group has subsequently more than held its own with a 15½ per cent. profits rise and an improvement in margins to 10½ per cent.—the best level achieved in any of the last four half-years. In spite of depressed market conditions, it seems that WF has managed not only a better product mix but also increased its overall market share. As for the current year, it seems that while sales are ahead (in value terms), there is a real possibility that profitability may slide back in the face of rising costs. But overall there is a general tone of optimism and the move to the new Dagenham plant, plus a purge on borrowings (which are down possibly by as much as £600,000 over 1973-74), should combine to keep overhead costs down to a minimum. The yield of 15 per cent. at 47p, covered 3 times, has scant regard for the group's excellent record.

Syltone advance to £0.4m.

MANUFACTURERS OF pumps, compressors, and wholesale distributors of electrical products, etc., Syltone reports turnover up from £3.89m. to £4.83m. for the year to March 31, 1975, and an increase in taxable profits from £340,914 to £408,387 after £184,000, against £148,600, for the first half.

A high tax charge of £234,863 (£177,415) was caused by overseas losses which cannot be offset against U.K. profits.

Full year earnings are shown to have improved from 8.14p to 8.3p per 25p share and the net dividend is held at 4.2p with a final of 3.15p.

	1974-75 £	1973-74 £
Group turnover	4,829,689	3,890,430
Profit before tax	408,387	340,914
Tax	234,863	177,415
Attributable	173,524	163,499
Dividends*	61,328	83,140

* Interim £22,435 (£21,076) and final—after waivers by chairman and wife of £29,171—of £33,393 (£64,064 no waivers). Of interim £14,118 (£13,753) taken in scrip and £8,317 (£7,323) in cash. No scrip option offered on proposed final.

Tricentrol profit downturn

A DOWNTURN in pre-tax profit from £299,000 to £170,000 is announced by Tricentrol for the first quarter to March 31, 1975. Turnover increased from £10.6m. to £13.45m.

At last month's annual meeting, the chairman, Mr. L. P. Thompson-McCausland, said that while the first three months of 1975 would be dull, there were some indications that trading patterns had begun to improve in the second quarter, and with the steps taken to cut loss-making activities, the directors looked forward to a satisfactory result for the full year.

They report that the exploration division is maintaining an active programme in the North Sea.

In North America Tricentrol's share of Montana Gas production for the first quarter averaged 15.8m. cubic feet per day (22.3m.) and a development drilling programme is now under way, while in Canada, returns from gas and oil sales continue to be satisfactory.

Commercial division results are adversely affected by terminal losses of the engineering group and "Silverline" travel group's London Airport-based coach operation which will affect the first half. Builders merchants groups in the U.K., Netherlands and Canada are all suffering from the downturn in building starts, but are "well placed to take advantage of any upturn."

Car and truck groups continue to trade successfully and the hardware and garden supplies group, enlarged by the acquisition of McMinns, has traded well and made a profit for the first quarter of £148,000 (£34,000).

Other overseas commercial groups continue to trade satisfactorily, and the newly acquired Australian company Armen George has begun to contribute to profits.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Albion ... int.	0.81	Sept. 12	0.81	—	2.07
Bath and Portland ... int.	1.0	Sept. 19	1.0	—	2.47
Edbro	3.17	Oct. 1	3.02	4.67	4.39
W. Henshall (Addlestone)	0.28	Oct. 8	Nil	0.28	Nil
Leaderflush (Doors) int.	0.33	—	Nil	—	0.34
Manchester Garages int.	0.3	Aug. 29	0.25	—	0.55
Norton and Wright	2.13	—	2	3.13	3
Plastic Cnstrct. ... int.	1.0	Sept. 18	0.74	—	2.69
RFD Group	0.88	Sept. 13	0.1	1.18	0.1
Somportex	2.76	Sept. 5	2.59	2.76	2.59
Syltone	3.15	—	3.15	4.2	4.2
TMG Group ... int.	6.25(a)	Sept. 15	2.5	—	8.75
Wholesale Fittings	2.79	Oct. 15	2.62	4.29	4.02

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) Gross throughout.

Govett European earns less

TOTAL INCOME for the year to June 30, 1975, of Govett European Trust contracted from £2,303,079 to £1,262,130.

Earnings per 25p share are shown at 2.22p against 2.51p. A dividend of 1.60p (2.5p) net has already been paid.

	1974-75 £	1973-74 £
Total income	1,262,150	2,303,079
Expenses and interest	335,579	1,168,079
Taxation	481,705	631,732
Available Ordinary	444,568	502,348
Interim dividend	320,000	500,000
FOREIGN ASSETS:		
Value foreign invests.	9,771,957	5,367,077
Investment premium	6,775,845	78,072
Net current assets	631,327	4,502,279
Repayment*	912,733	7,958,546
Balance foreign assets	16,264,346	287,842
STERLING ASSETS:		
Value investments	1,121,460	12,070,383
Deposits & net current assets	601,223	2,272,999
Total net assets	17,987,029	14,641,224

* Current cost of repaying foreign loans.

Net asset value per 25p Ordinary was 99.9p (73.2p), including 100 per cent. of investment currency premium 33.9p (0.4p).

Loans of Fls.50m. were repaid during the year and loans of US$1.5m. and DM1.15m. were drawn down.

Ashbourne requisition

Requisitions have been lodged with Ashbourne Investments representing in excess of 10 per cent. of the share capital, calling for an extraordinary meeting to consider the resolutions recently circulated to shareholders, Mr. Lionel Casper, chairman of Crest International Securities said yesterday.

Once the EGM has been called, shareholders will be further circulated with more up-to-date details as to why they should vote in favour of the resolutions at the meeting, he added.

Record £1.43m. by RFD

AFTER A LOSS in 1973-74 of £330,000, RFD Group reports a record pre-tax profit of £1,431,000 for the year to March 31, 1975—more than double the previous peak. First-half profits had reached £0.73m.

Earnings per 10p share for the year are shown as 6.16p before extraordinary items (loss 2.46p) and 2.91p after such items (loss 2.15p).

The final dividend is 0.8789p net, making 1.1789p against 0.1p. This is the maximum payable and has received Treasury approval.

Net tangible assets are given as 33.8p (30.1p) per share.

Results include Tranmere Textiles for a full year for the first time. Further progress was made by the Perseverance Mill and the Dutch subsidiary but the main reason for the turnround is the recovery at RFD-GQ, the largest operating subsidiary, following complete reorganisation of management structure and adoption of "more realistic commercial policies, particularly in export markets."

Following a profitable year the group is in a sound financial position and is concentrating on long-term development and expasion both in the U.K. and abroad, members are told.

Trading since the end of the year has been at a satisfactory level but the company is making no forecast of the outcome for the current year.

● **comment**

A £1½m. turnround from losses by the RFD-GQ subsidiary and a substantial improvement by the textile division (boosted by a first-time inclusion of Tranmere) are the main features of RFD's strong 1974-75 recovery. RFD-GQ, which underwent a massive reorganisation last year following the introduction of new top level management, has been divided into five separate subsidiaries which are all now operating on a completely new export pricing policy. The textile companies, however, are now beginning to feel the effects of the current world textile recession and profits from here will almost certainly be lower in the current year. But the benefits from the RFD-GQ re-structuring operation are still coming through and all five subsidiaries are apparently performing well. The group therefore looks capable of remaining on the upward trend in 1975-76 and that seems to provide a firm base for the shares which at 20½p are yielding 9.3 per cent., covered more than five times.

London Tin domicile and bid issues

BY MARGARET REID

SHOULD the Board of London Tin Corporation at some future time consider the emigration of the company from the U.K. in the best interests of the Corporation, its shareholders would be informed and their approval sought.

The chairman, Mr. D. R. Mitchell, said this at yesterday's annual meeting in London, when he added that at present he had nothing further to say, either on the question concerning the possible emigration, or on "the currently unresolved position in regard to Pernas and Haw Par Brothers International."

The two largest shareholders with a combined 51 per cent. holding in London Tin, the world's bigest tin company, are Pernas Securities, the Malaysian state-controlled concern (with over 20 per cent.) and Haw Par, a Singapore-based company which had been going to link with Pernas in a £25m. deal. This deal under which Pernas would have taken a near-40 per cent. stake in Haw Par now seems very much in jeopardy, following much opposition and the recent resignation of three Haw Par directors, including the chairman, Mr. James Gammell.

The London Take-over Panel has, however, ruled that Pernas and Haw Par are responsible for making or procuring a bid for the balance of London Tin's shares at some 197p each. It is this problem with which Haw Par's City merchant banking advisers, Baring Brothers and J. Henry Schroder Wagg, are grappling.

As reported last week, one possible development would be a change of London Tin's residence to the East, a move which would attract the investment premium to the shares and so might open the way for them to be taken over on terms complying with the Panel's requirements.

When asked about the disadvantages and advantages of emigration, Mr. Mitchell said this was a matter on which he was not qualified to comment in detail at this stage, because of uncertainties about the tax position.

He added that they had hitherto understood there was a strong liklihood that corporation tax would then be payable on the difference between book value and market value of the portfolio of the company's shareholdings. This was one cogent possible disadvantage.

Mr. Mitchell also said that one would want to be assured that the administrative set-up after emigration would suit the authorities in Nigeria and Thailand—where the company also has operations—as well as Malaysia. He added that he did not know of any positive advantages of emigration: such a move would depend on the wishes of the major shareholders.

Mr. Mitchell told a questioner that at the end of June the asset value of the shares was 163p; last night the price closed 2p down at 155p.

At yesterday's meeting it was disclosed that Mr. Ian Tamblyn, who recently resigned as deputy managing director of Haw Par, was not now standing for election to the London Tin Board. Mr. Mitchell said that the position of Mr. Donald Ogilvy Watson, who lately resigned as managing director of Haw Par and who is a London Tin director, remained to be resolved.

At a Board meeting after the annual meeting, Tunku Imran Ibni Tuanku Ja'afar was elected a director of the corporation, filling the vacancy created by the retirement of Sir Michael Young-Herries. Tunku Imran is a director of London Tin's management subsidiary in Malaysia and is associated with Haw Par's Malaysian interests.

Highams ready for any trade upturn

At the annual meeting of Highams, the textile group, chairman Mr. Alec E. Higham told shareholders that, as negotiations were not yet complete, he was unable to announce details of the proposed acquisition for the group's clothing division to which he referred in his annual statement.

Mr. Higham also announced that he felt the time had come to retire as chairman, having been with the company for 54 years with 20 years as chairman. Mr. William Higham, present managing director and deputy chairman, has been appointed chairman.

Mr. William Higham said that as far as the future was concerned the company was "ready and able to meet any improvement in trade when this occurs."

ISSUE NEWS AND COMMENT

BTR 1-for-5 rights to raise £5.7m.

BTR announces that arrangements have been made for an issue of Ordinary shares by way of rights to shareholders to raise about £5.7m. The new shares will be offered to the Ordinary holders registered July 23 on the basis of one for every five shares held at 90p per share.

Figures for the half-year to June 28, 1975, show sales and profits overseas substantially better than last year and those for the U.K. are also at higher levels. Consolidated pre-tax profits for the six months and profits after tax and minorities for the same period are estimated to be £6m. and £2.4m. respectively. This represents an increase of 50 per cent. and 33 per cent., respectively, over the corresponding period last year.

The new shares will rank for all dividends declared in respect of the current year. In view of prospects, the board expects net dividends totalling 6.5p per share (compared with 3.391p net) on the increased capital. Consent has been received from the Treasury to pay dividends up to this level.

Additional equity capital will strengthen the capital base of the group and enable it to take full advantage of expansion opportunities. Meanwhile the cash raised will result in a material reduction in interest charges.

The issue was underwritten by Hill Samuel. Brokers were Cazenove and Co.

● **comment**

Considering that BTR's first half profits are expected to be some 50 per cent. higher, it seems odd that the company is looking for funds to expand its business. True, working capital requirements rose by some £7.2m. last year, but borrowing at the year-end was hardly high at 40 per cent. of capital employed. Moreover, cash flow last year was expected to substantially cover the capital expenditure programme. BTR presumably has some prolific new area up its sleeve, but in the meantime shareholders are left to ponder over the merits of a sustained growth situation needing funds for an unquantified purpose.

CRELLON RAISING £275,000.

Arrangements have been made for an issue of 1,181,666 shares of Crellon Holdings on the basis of 1 for every three shares (or rights to convert into 3 shares) held at 25p each.

The issue has been underwritten by Singer & Friedlander and will raise £275,000 after expenses. The new shares will be eligible for dividends payable for the year ended April 30, 1976.

The purpose is to raise further money to finance stock and debtors, both for expansion and to cope with inflation.

Morgan Edwards

Morgan Edwards is to raise about £150,000 by the issue of 468,572 Ordinary 10p shares at 33p per share, by way of rights to Ordinary holders on a 1-for-4 basis.

The directors will subscribe for 78,125 of the 130,807 new shares provisionally allotted to them. County Bank has agreed to underwrite the remainder amounting to 390,447 shares. The new shares will not rank for the final dividend in respect of the year ended March 29, 1975. The directors envisage that the rate of dividend for the year 1975-76 will be 3.23p net (an increase of 34.81 per cent.) on the enlarged capital.

Brokers are Williams de Broe, Hill Chaplin and Co.

In his statement with the full accounts for 1974-75, the chairman, Mr. E. K. Edwards, says there is still much to do to remove losses in the cash and carry division which is suffering from too low a sales volume. When this has been resolved, group profits should show a further marked improvement.

Management figures for the group during the first quarter of the current year reveal satisfactory increases in sales and profits, he adds, but whether this trend will continue is subject to influences, many of which will be outside Board control.

Meeting, Shrewsbury, August 28 at noon.

SMITHS INDUSTRIES

Smiths Industries announces that acceptances have been received in respect of 3,429,325 Ordinary shares (about 36.32 per cent.) following the recent rights issue. Shares not taken up are being allotted to the underwriters.

SENIOR ENG.

Acceptances have been received in respect of 19,131,504 new shares, being 89.8 per cent. of the total number of shares offered by way of rights by Senior Engineering Group. Shares not taken up have been sold for the benefit of entitled holders.

Pye Australian growth

Consolidated net profit of Pye Industries expanded to $A1,386,000, from $570,000, in the half-year to June 30, 1975, compared with the same previous year period.

And the directors said in Sydney that the profit outlook for the group for the remainder of the year was good.

Taxation in the first half took $1,764,000 ($630,000) and depreciation $228,000 ($166,000). Group turnover rose to $28.5m. from $17m.

The directors have already indicated they expect to pay a first and final dividend of not less than 15 per cent.—7.5 cents per share—on capital to be increased by a new issue, closing August 15, which is on a two-for-five basis at a premium of 70 cents per share.

Bath & Portland keeps to shortfall forecast

A BETTER than expected pre-tax profit of £814,814, against £802,433, before redundancy payment of £33,572, is announced by The Bath and Portland Group for the six months to April 30, 1975.

However, the chairman, Sir Kenneth Selby, is keeping to his April forecast of some shortfall in the year's profit compared with the £2.02m. for the year to October 31, 1974.

He points out that profits from the Iranian contract, the terms of which give protection against inflation, will not commence until 1975-76.

A same again interim dividend of 1p net is declared costing £145,221. Last year's total was 2.47p.

	Six months 1975 £	1974 £
SALES:—		
Minerals	4,347,000	4,305,000
Building & civ. eng.	11,610,000	10,426,000
Agricultural	6,500,000	6,137,000
Engineering	2,979,000	2,372,000
Total sales	25,436,000	23,290,000
Trading profit	2,087,594	1,722,694
Depreciation	652,907	468,983
PROFIT BEFORE INTEREST:—		
Minerals	106,000	178,000
Building & civ. eng.	370,000	296,000
Agricultural	700,000	752,000
Engineering	219,000	127,000
Less interest	616,173	361,278
Profit before tax	*782,342	802,433
Taxation	406,246	417,265
Net profit	374,996	385,168

* After £33,572 (nil) redundancy payments.

No progress was made in dealing with the Department of the Environment in connection with the payment of the heavy additional costs the company has been forced to incur on two motorway contracts. The costs relate to delayed, varied and extra work and now aggregate some £4m. and are likely to reach £5m. before completion. One of the two contracts has recently been completed and the other will be finished later this year.

The chairman stresses that continued refusal of the department to make any significant interim payment on the claims has severely restricted the group's growth and the service it can give to the economy.

Against this must, however, be set the "tremendous help" received from The Department of Industry and from the bankers in the award to the group of the largest highway contract ever awarded by Iran to a foreign contractor.

The directors will continue to seek overseas opportunities.

● comment

Bath and Portland's trading margins are slightly ahead and this kind of defensive strength runs through the interim figures. The interest charge, for example, is swollen by an abnormal £0.2m. while a 40 per cent. hike in the depreciation charge reflects rigorous accounting procedures. Among the divisions, there was growth in engineering as late-developer capital projects came on stream, agricultural returns were satisfactory, but the expansion in building profits could be shortlived, since the motorway programme is now tailing off; the rundown here also accounts in part for the downturn in minerals. However, there are profits to be taken already on the three-year Iranian contract and this shows how astutely the group has shifted its earnings base. At 36p, a yield of 10.5 per cent. has some attraction.

TO-DAY'S COMPANY MEETINGS

Ambrose Investment Trust, Moorgate Place, E.C., 12.30. Armitage Shanks, Birmingham, 12. Bradford Property Trust, Bradford, 12. British Steam Specialties, Leicester, 12. Bulmer and Lumb, Bradford, 12. Chapman (Balham), Great Eastern Hotel, E.C., 12. Charrington, Gardner, Locket, Charing Cross Hotel, Strand, W.C., 12. Cohen (A.), 8, Waterloo Place, S.W., 12. Culter Guard Bridge, Aberdeenshire, 12.30. Ellerman Lines, 12, Camomile Street, E.C., 12. Haslemere Estates, 4, Carlos Place, Mayfair, W., 12. Highgate and Job, Paisley, 12.30. Kennedy (Allan), Stockton-on-Tees, 10.30.

Lamont Holdings, Edinburgh, 12. M.K. Electric Holdings, Winchester House, E.C., 12. Pickles (Wm.), Manchester, 12.30. Plantation Holdings, Abercorn Rooms, E.C., 12. Press (Wm.), Inn on the Park, W., 11.30. Reed International, 20, Aldermanbury, E.C., 12. Sheepbridge Engineering, Grosvenor House, Park Lane, W., 12.30. Tunnel Holdings, 21, Tothill Street, S.W., 12.30. Witan Investment, 11, Austin Friars, E.C., 11.30.

Smith Hldgs. plans issue to director

Shareholders in Smith Holdings (Whitworth) are to be asked to approve an issue of 250,000 new shares to Mr. J. A. G. Barker, who was appointed managing director last December of the Rochdale-based group, which makes machinery for the chemical, food, paper, plastics and textile industries and fabricates steel components for a variety of industries.

In a letter to shareholders in which he says the Board recommends approval of the issue, Mr. T. W. Borges, chairman, refers to the considerably improved financial and trading position of Smith in the second half of 1974-75, and says the directors feel it desirable for Mr. Barker to have the opportunity to subscribe for a small percentage of the equity, since he has no right to participate in profits.

The proposed issue prices will be equal to the average middle market quotation in the four days immediately prior to August 22, the date of the necessary extraordinary meeting. Subsequently, Mr. Barker would own some 6.5 per cent. of the enlarged equity, including 10,000 shares he already has.

The directors and their families, owning 14.16 per cent. of the capital, will vote in favour of the issue. Mr. Borges, pointing to the company's improved position—following a first half loss of £64,000, the year to March, 1975, ended with an £11,908 profit—said yesterday the Board had felt for some time that it wanted to give Mr. Barker an opportunity to take a stake in the company and commented on the difficulties of share incentive schemes.

MINING NEWS

Amax is to acquire Copper Range

BY LESLIE PARKER, MINING EDITOR

A DEFINITIVE agreement has now been reached between America's Amax and Copper Range companies whereby the latter will be acquired by Amax. A registration statement has been filed with the U.S. Securities and Exchange Commission and proxies are expected to be sent out by Copper Range to its shareholders within the next few days. An agreement in principle was originally announced last November.

Copper Range shareholders will be asked to approve the deal at a special meeting in New York on August 26. The terms are 0.8 of an Amax share for every share in Copper Range which Amax does not already own. Its present stake in Copper Range is 19.9 per cent.

In the half-year to June Copper Range made a net loss of $3.98m., equal to $1.70 share, compared with a profit of $16.48m. or $7.03 a share in the same period of 1974. A 43 per cent. fall in the average selling price received for primary copper is stated to have been the most significant factor in the decline although also contributing were the continuing strike at the Hussey fabricating division and a stock write-down.

The half-year production of refined copper at the White Pine mine was 79.59m. pounds compared with 75.89m. pounds in the same period of 1974. The deal would involve the issue of some 1.5m. Amax shares and would mean a further slight reduction in Selection Trust's percentage holding of the U.S. company's capital, at present 9.3.

MOUNT LYELL'S LME PROFIT

The Gold Fields group's Mount Lyell copper producer in Tasmania has successfully fought off the adverse effects on its profits of low copper prices by dealing shrewdly in forward positions on the London Metal Exchange.

As already announced, these metal dealings made a profit of $7.7m. in the first half of the company's year to June 30. The full year results bring this profit to $10.7m., including dividends and sundry revenue.

On the other side of the coin, mining operations have resulted in a loss of $8.29m. compared with a pre-tax profit of $13.3m. in 1973-74 when copper prices were strong.

The final result is that Mount Lyell has come out with a net profit, albeit much reduced, of $3.1m. for the past year compared with $7.2m. in 1973-74. The latest dividend total is reduced to 5 cents from 17.5 cents (including bonus). The reduction takes into account rising operating costs and heavy capital expenditure. Mount Lyell were 95p in London yesterday.

BELLAMBI HITS AT MR. CONNOR

The Gold Fields group's Bellambi coal operation in Australia says that no preliminary profits statement for the year to June 30 can be issued until all coal sales contract terms for the year beginning April 1 last have been agreed with the Japanese buyers.

Meanwhile, the Bellambi directors "record their concern at the intervention of the Minister for Minerals and Energy, Mr. R. F. X. Connor." It is pointed out that in March he set a guideline price for the contract which was unacceptable to the Japanese. Consequently, no settlement was possible until the Minister intervened in Japan during the first week of this month.

Bellambi adds that in the meantime the deepening recession had strengthened the Japanese stance and the Minister subsequently settled for a price well below his earlier guideline and left some important details unresolved. This Government interference could prejudice future commercial negotiations in the view of Bellambi which also points out that four months after the start of the contract year it has not yet received any of the increase in price from sales to Japan.

Another Windarra?

WITHOUT CAUSING anything of a stir in its shares in Sydney, Australia's Endeavour Oil stated that work on its Forrestania project in Western Australia, a joint venture with America's Amax, had indicated that the area may contain a nickel reserve at least equal to that at Poseidon's Windarra property in which Western Mining now has a 50 per cent. stake.

In reply to a Melbourne Stock Exchange query Endeavour's chairman Mr. E. A. Webb said that reserves at the Cosmic Boy lease, which were still confidential, added to the known ones at Digger Rocks brought the total for the Forrestania area to a reserve of Windarra proportions. He put the latter at 8.8m. tonnes of 1.94 per cent. nickel. Amax can earn up to a 70 per cent. interest in the Endeavour prospect in return for certain prospecting expenditures.

The latest drilling had indicated that economic grades at Digger Rocks could extend further to the south. Mr. Webb concluded by saying that we believe these facts justify the "qualified optimism" of our statement to the exchange but "please bear in mind that we are comparing the Forrestania area as a whole with Windarra." In London, Endeavour were 12p.

ROUND-UP

The RTZ group's British Columbia copper producer Lornex Mining Corporation announces a big drop in its half-year earnings from $21.07m. to $0.66m. or from $2.56 a share to 8 cents. The fall is stated to be due mainly to substantially lower copper prices but it is also pointed out that production levels have been reduced owing to the world oversupply of copper concentrates and metal which is particularly acute in Japan where most of its output is sold. Rio Algom, the 51 per cent. owned Canadian offshoot of RTZ, has a 53 per cent. stake in Lornex. At end-1974 Yukon Consolidated had a 20 per cent. interest.

Minero Peru Commercial, which markets copper, lead, zinc, silver and several minor metals produced in Peru, is now in charge of selling the iron ore from Marcona, 450 kilometres south of Lima. Minpeco's new assignment originates from a July 24 Peruvian Government measure. Last year the Marcona mine produced 10m. long tons of iron ore and concentrates grading 60-68 per cent. iron.

Botswana RST's nickel-copper project at Selebi-Pikwe in Botswana has had its production halted by a strike of about 2,700 workers over a wage dispute, a company spokesman said. Botswana RST shares were down 2p at 88p yesterday.

A rise in South African gold production to 850 tonnes a year before levelling off in 1985 is forecast by Gold Fields of South Africa chairman Mr. A. Louw. Current-year output is likely to show a further small decline from the 775 tonnes produced in 1974. Unless new mines in addition to the three now being opened up are brought into operation gold output will "decline steadily from 1985."

BIDS AND DEALS

Ellerman bid for J. W. Cameron

BY DAVID BELL

Ellerman Lines announced last night that it has made a £10m. agreed bid for the 70.5 per cent. of J. W. Cameron, the Hartlepool brewers, which it does not already own.

The offer, which has been widely expected ever since Ellerman said that it was having talks about a possible bid in May, is 125p in cash for each Cameron 25p Ordinary, 40p cash for every 3.5 per cent. cumulative preference, and 47p cash for every 4.2 per cent. cumulative Preference. On this basis, the whole company—including Ellerman's existing 30 per cent. stake—is valued at some £14m.

Bass Charrington, which has 11 per cent. of the Cameron equity, has agreed to the bid as have the Cameron family interests which, taken together, represent a further 20 per cent. Cameron shares closed last night at 124p, up 2p on the day.

Ellerman Lines which, apart from its shipping interests, already has investments in travel and leisure, considers the acquisition of Cameron, which has some 700 retail outlets in the North of England, "will constitute a substantial and valuable diversification for the group's leisure interests." There are to be no redundancies as a result of the deal which is subject to the usual conditions including the approval of the Office of Fair Trading. The business will continue to be run from Hartlepool.

Ellerman acquired almost all its initial 29.5 per cent. stake in January last year when it bought 27.02 per cent. from the Ellerman Trust. At that time the Ordinary price was 110p per share, but since then it has been as low as 45p and was about 85p only a week before the May announcement of talks.

AGREED BID BY CHARTERHALL FOR WHINSPARKEN

Charterhall Finance Holdings, which has interests in North Sea oil exploration, has made an agreed bid for the capital of Whinsparken Investments, which also has interests in the North Sea.

The offer is one new Charterhall share for every two Whinsparken, which values the deal at about £1m. Mr. M. S. Vickers, the principal shareholder since Slater Walker Securities sold its stake in 1973, has agreed to accept the offer in respect of his holding of 1.039m. share (26 per cent.).

Whinsparken reported a loss in 1974 of £698,200, but the annual report published in June this year indicated that the company is now making a profit. For its part, Charterhall has a 7 per cent. stake in the Transworld Consortium, which has discovered oil in block 21/1, though its 35 per cent. stake in CPP North Sea Associates.

ASTRA BUYING REST OF ZINC ALLOY

Astra Securities, the Staffordshire electrical and mechanical engineering holding company, is to pay about £550,000 to acquire in an agreed bid the remaining 76 per cent. of Zinc Alloy Rust Proofing which it does not already own.

The terms are 10p cash for each Ordinary share and 50p for each 4.9 per cent. non-cumulative Preference. Zarp specialises in the rust proofing of nails, components and other items.

SEAHAM DOCK

Holders of 70 per cent. of Ordinary shares of Seaham Harbour Dock have indicated they no longer regard their irrevocable undertakings to accept the Tinline Estates offer as having any effect, because bindingly committed funds have not been made available through no fault of Tinline.

Tinline is obtaining legal advice as to its position and in the meantime is making efforts to find alternative sources of funds.

As soon as such funds become available documents containing the offer will be posted to shareholders, it was stated yesterday.

Petrocon oil venture

Agreement has been reached between the Petrocon Group, the U.K. oil, process and energy related services company, and Swire Pacific of Hong Kong, whose interests include Cathay Pacific Airways, industry, property, offshore servicing and trading, on the formation of a new joint holding company Swire Petrocon (Hong Kong).

In turn, Swire Petrocon (Hong Kong) will have a wholly-owned operating subsidiary in Singapore—Petrocon Swire Pte.

It is intended to establish a major base in Singapore from which a range of technical services will be available to the rapidly developing oil exploration industry in South-East Asia.

Montague L. Meyer sees little change

AN IMPROVEMENT in profits in the second half of the current financial year is forecast by Mr. John L. Meyer, chairman of timber merchants, Montague L. Meyer. He does not expect stock losses during the year.

Mr. Meyer thinks the first half will be fairly steadily in line with the second half of last year, but profits should then improve, so that the year's results should not be materially different from those of 1974-75.

"We are so constituted that we do not need boom times to show high profits: reasonably normal conditions will produce the profits that we are capable of maintaining," he declares.

As reported on July 17 turnover dropped by only £7m. to £135m. in the year to March 31, 1975, but pre-tax profits were reduced to £7.2m. from £12.7m., after a first-half contraction from £8.05m. to £4.28m. The dividend is 1.90871p (1.79341p) net.

Mr. Meyer points out that the fall in world prices resulted in an absence of stock profits and also affected the profits of associates. A subsidiary, Crosby and Co., experienced problems in setting up a new extensively automated window factory.

During the year the group considerably strengthened its balance sheet. By reducing buying and making the best use of existing stocks through an internal clearing-house, stockholding was reduced by £7m. and further reductions have been achieved since the end of the financial year.

Debtors have also been reduced by £9m. and total current liabilities have fallen by £19m. Net bank indebtedness decreased by £1.72m. (£4.64m. increase).

Last May the company acquired from Venesta International 50 per cent. of the capital of Keizer Venesta for £2.4m. cash.

Although Meyer's has decided not to introduce inflation accountancy until the Sandilands Report is available and the Government's precise views known, if the accounts now presented were made up on the basis of accountancy proposals they would show no material difference in earnings but an increase of 10 per cent. in Ordinary holders' funds, it is stated.

Meeting, Charing Cross Hotel, W.C., September 3, noon.

Chairman's statement Page 16

TMG lifts interim to 6.25p

DUBLIN-BASED iron founders, etc., The TMG Group reports sales of £3.74m., and pre-tax profit of £210,000 for the first half of 1975. And the directors "see no reason why such profitability should not continue for the second half."

The six months results are for the enlarged group and therefore are not directly compared with the £64,000 for the first half of 1974. Profit for the year 1974 was £105,718.

The interim dividend is raised from 2.5p to 6.25p gross. Last year's total was 8.75p per 25p share.

Tax for the six months is £50,000 (nil).

Greenmount & Boyne loss

REPORTING a loss situation for the period to June 30, 1975, the directors of Greenmount and Boyne, announce that a loan has been obtained from Foir Teoranta, manufacturing levels are now in line with plans, the order book is healthy, and prospects for the second half—in the light of what has gone before—"are reasonable."

The dividend for the first half of 1975 on the first and second preference stock has been postponed and the current accounting period extended from December 31 to cover the 18 months to June 30, 1976. The directors expect the report will be published before the end of August.

They explain that due to the totally unexpected deterioration in trading in late November until early March, the cash position was under "intolerable strain" and this, coupled with the withdrawal by banks of a substantial part of the company's credit lines, forced it to close all plants for two weeks to work off finished goods inventories.

This, while affording some respite from cash pressures, "seriously affected efficiency when operations were recommenced." Normal levels of efficiency were not regained until early May.

Inventories were sold at reduced prices and substantial stock losses were taken. The dyeing, bleaching and finishing unit had to be closed.

Terminal costs were "substantial and did not assist the increasingly difficult position in which the company was finding itself."

The company makes casual and protective wear, and fabric finishing facilities.

Plastic Construct. ahead

FIRST HALF pre-tax profit of Plastic Constructions improved from £153,086 to £178,963, and present indications are that the year's figure should exceed the £368,031 for the year to September 30, 1974, says the chairman, Mr. H. Aron.

Turnover for the six months advanced from £2.11m. to £2.45m. —steps taken to control the pressure of increasing costs resulted in margins being maintained.

The expansion programme is proceeding. The Midlands fabrication division in Birmingham is now fully operative in additional premises, and the new premises for the valve manufacturing division and the additional London unit will be operative by the autumn.

As announced, the directors intend to declare an interim dividend of 1p net per share against 0.7387p. Last year's total was 2.6934p.

	Six months 1975 £	1974 £
Turnover	2,45[illegible],800	2,112,000
Profit before tax	178,953	153,086
Taxation	93,290	80,310
Net profit	85,663	72,776

Cost of the interim will be £15,374 after waiver of £7,257 (£3,363 after scrip election).

CITY OFFICES

First-half stated earnings per 25p share of City Offices improved from 0.75p to 0.85p and the interim dividend is lifted from 0.60p to 0.64p. The figures shown in yesterday's report were incorrect.

Strong base at Beechams

THE GOVERNMENT'S latest anti-inflation measures would lead to a temporary reduction in spending power, but it was not yet clear how they would affect demand for Beecham's products, Mr. G. N. Wilkins, the chairman, told the annual meeting.

While the company's consumer products business might be temporarily hurt by the new policy, "it is not unknown for periods of stringency to have little impact on the sort of things we produce, with the cutbacks in personal spending concentrated mainly on bigger items, such as consumer durables," he said.

In any case, Beecham's "international spread," with well over half the company's sales and threequarters of the profit coming from outside the U.K., gave the group a "particularly strong" base from which to meet any adverse trends.

Mr. Wilkins noted that there were now signs that the world economic situation was improving at last, and even during the difficulties of the last year Beecham's overseas sales had risen by nearly 38 per cent. and overseas trading profit was up 27.5 per cent.

Price control in the U.K., which was still a very important market for Beecham and the centre of many of its activities, had "played havoc" with margins, Mr. Wilkins said. The company's profitability had been very seriously eroded by the controls, which had been "much more rigidly enforced" than controls on wages and salaries. U.K. sales had increased 16 per cent. last year, while profit in the U.K. fell 22 per cent.

Mr. Wilkins warned that, if unions attempted to win wage increases of more than the Government limit of £6 a week on the grounds that the increased profitability of any company enabled it to fund higher wage settlements out of profits, new capital investment in Britain would be an immediate casualty. Meanwhile the £6 a week policy itself was "bound to produce increasing dissatisfaction and friction among the unions themselves."

After the meeting, Mr. Wilkins said the trends of the last financial year had continued over the current trading period. Overseas business continued "buoyant" but on the home market there were still no signs of an upturn.

Manchester Garages first half progress

From sales ahead from £3.38m. to £4.16m., profit of Manchester Garages increased from £95,025 to £111,014, before interest charges up from £18,440 to £32,521, for the half year to June 30, 1975.

The interim dividend per 5p share is raised from 0.25p to 0.3p net. Total for all 1974 was 0.53p and pre-tax profit a record £224,197.

Earlier this year the chairman, Mr. R. A. Stoodley, reported that the first three months showed a similar trading performance to 1974, although not up to budgeted profit objectives.

Statement Page 16

B. & C. Shipping outlook

THERE IS at present no improvement in the tanker and bulk carrier markets, Sir Nicholas Cayzer, chairman of British and Commonwealth Shipping, told the annual meeting. The company had already laid up two bulk carriers and others were likely to follow "as this is cheaper than continuing to operate them."

The cargo liner trades were holding up well, he said, "but with surplus tonnage around the world we cannot disregard the possibility of intrusion from outsiders prepared to quote sub-economic rates."

Russian ships, whose primary interest "seemed to be earning foreign exchange rather than a straightforward profit," were a major source of competition. The Trans Siberian railway was also a competitor in the movement of goods between Europe and the Far East.

During the year a dock strike at Southampton and disruption at Avonmouth had adversely affected the company and also dockers' earnings, Sir Nicholas pointed out.

British Island Airways had improved its position and was not expected to make a loss this year. In the company's hospital and leisure interests, which lost money last year, there had been a considerable improvement but so far not enough to prevent them making a further loss this year.

A group forecast for the coming year was difficult to make, the chairman said, but "we must expect a downturn in profits from the level of some £16m. before tax, achieved in 1974, that is the figure excluding the exceptional credit of £3m."

The directors, however, expected to be able to increase the dividend by the statutory 10 per cent. next year and there were "great opportunities" ahead as soon as the economic climate improved.

Meeting Page 6

BOARD MEETINGS

The following companies have notified dates of Board meetings to The Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends considered are interims or finals and the sub-division shown below is based mainly on last year's timetable.

TO-DAY

Interims: Bank Leumi U.K., Barclays Bank, British Sugar, Lamson Industries, Prestige Group, Royal Worcester, Vereeniging Refractories, Weber Holdings.

Finals: Peter Black, K. O. Boardman International, Frederick Cooper, Dacian Holdings, J. B. Eastwood, Econa, Fitch Lovell, Forminster, J. Jarvis, Moultor Holidays, William Ransom, Routledge and Kegan Paul, Wallis and Co. (Costumiers).

FUTURE DATES

Interims:—

Bowater	Aug. 1
Braime (T. R. & J. H.)	Aug. 6
Evode	Aug. 11
Gen. Accident Fire & Life Assur.	Aug. 13
Relyon PBWS	Aug. 15
Scottish United Investors	Aug. 1
Unisec Securities	Aug. 4

Finals:—

Hambros Trust	Aug. 7
Hogg Robinson	Aug. 5
Jevons Cooper	Aug. 1
Melody Mills	Aug. 6
Nova Jersey Knit	Aug. 8
Parambe	Aug. 4

Rothschild Investment policy

Rothschild Investment Trust is continuing to search for opportunities in "special situations" of the kind taken up successfully in the past, says the chairman, Mr. J. Rothschild.

The company, he adds, has enough liquid resources to respond to opportunities, but the directors feel they should be very sure of themselves before committing funds.

They intend to mobilise the funds to holders' best advantage, and express continued hesitation in the immediate prospects for U.K. equities unless and until the country can solve its basic economic problems.

In falling markets it was thought prudent to re-examine the unquoted investments and an overall reduction in value of some £1.8m. was made in December.

In addition a reduction of £1.8m. was made in respect of property investments for the purpose of calculating net asset values, mainly relating to the investment in the Manhattan Center, which is the problem property in the portfolio of RIT European Properties.

Although the directors consider the means exist to carry out a vigorous letting programme in the Center without calling on group resources in the U.K., they now consider it prudent to increase the reduction relative to European property to £2.5m.

However, given the recovery in share values in the U.K. approximately £1m. has been restored to the valuation of the unquoted investments, thereby leaving the aggregate contribution of unquoted investments and property to group net asset values marginally higher than at the time of the December interim figures.

As reported on July 15, with net asset details, revenue before tax increased from £2.52m. to £3.02m. in the year to March 31, 1975, and the net dividend, is 9.505p (9.5p) per share.

Meeting, New Court, St. Swithin's Lane, E.C., September 22 at 11.30 a.m.

Good orders at Tobenoil

Mr. Thomas Kenny, chairman of Tobenoil, said at the annual meeting in London that the order position remained satisfactory "and in particular, our export situation seems to be still further improved."

The group manufactures automatic packaging, wrapping, bottle-filling and labelling machinery.

'Reasonable' start by Powell Duffryn

Powell Duffryn had made a reasonable start to the year, Sir Alec Ogilvie, the chairman, told the annual meeting, but profit in the first three months from April 1 was lower than that in the previous first quarter. This was not unexpected, as April/June 1974 had produced some exceptionally good profits from the shipping division, Sir Alec commented.

Most divisions, including shipping, had had a fair start to the current year, considering the general economic background. The group's wide spread of activities—shipping, engineering, fuel distribution, oil and chemical storage, timber and industrial services—was a source of strength, particularly in difficult times, he said. The engineering division in particular was making good progress, especially in overseas markets.

Referring to the French subsidiary, SOFEEC, the chairman stated: "We have not yet received the final audited accounts, but I can confirm, based on my latest information, that the provisions we made in the accounts against past losses will be adequate. Until we are in possession of the audited accounts it would be improper for me to comment further, particularly as legal proceedings may be involved.

"In the meantime, firm action is being taken: four of the previous senior management have been dismissed, and we now have a new team whose main task, of course, is to restore the company as soon as possible to profitability. It is anticipated that by the commencement of the next financial year the business should be operating normally."

April 30, 1975, and pre-tax profits advanced from £135,279 to £192,818.

After heavier tax of £102,390 (£74,189) the year's net balance was up from £61,090 to £90,428, giving stated earnings per 25p share of 12.92p against 8.81p.

The dividend is 2.759p net against 2.5853625p, the gross equivalent rate representing the maximum permitted 10 per cent. increase. Dividend cost is £19,313 (£18,098).

Albion hit by cheap imports

PROFIT before tax of Albion, manufacturers of male outerwear, is little changed at £236,000, compared with £244,000 for the half year to March 31, 1975, but the directors say that the present "extremely difficult" economic situation plus the impact of cheap clothing imports "has had a marked effect on order books and placed severe strain on margins, which will be reflected in year-end results."

The interim dividend is 0.808p net (same). Last year's total was 2.068p, paid from record profits of £0.57m.

	Half year 1974-75 £	1973-74 £
Pre-tax profit	236,000	244,000
Tax	122,000	125,000
Net profit	114,000	119,000
Minorities	13,000	10,000
Attributable	101,000	109,000

NOVA (JERSEY)

Nova (Jersey) Knit has acquired more than 10 per cent. of its 7 per cent. Loan stock for cancellation.

Midway fall at Wiggins Teape

THE WHOLLY-OWNED paper-making subsidiary of British-American Tobacco Company, Wiggins Teape, announces a decline in pre-tax profit from £13.3m. to £9.97m. for the 26 weeks to March 29, 1975.

Including sales to subsidiaries of BAT outside the Wiggins Teape Group, turnover advanced from £118.21m. to £148.74m.

There is no interim dividend. Last year's interim payment absorbed £2m. Pre-tax profit for the year to September 28, 1974, was £25.76m.

Tax for the first half, including an overseas charge down from £2.85m. to £2.45m., was £6.63m., against £6.7m., but the directors say this is disproportionate as a result of losses incurred overseas which are not capable of immediate tax relief.

	1974-75 £m.	1973-74 £m.
Turnover	148.74	118.21
Trading profit	12.79	13.31
Investment income	0.71	1.30
Interest paid	3.53	1.31
Profit before tax	9.97	13.30
Tax	6.63	6.70
Profit after tax	3.34	6.60
Minorities	0.38	0.27
Attributable	2.96	6.33

The amount retained in inflation reserve out of profits for the full year to September 28, 1974, was £11.3m. The directors estimate that the amount to be set aside in respect of the half year to March 29, 1975, is £6m.

International Stores

First half (to March 29, 1975) turnover of International Stores expanded from £110.05m. to £130.8m., but pre-tax profit fell from £2.47m. to £0.9m., after interest of £0.74m. (£0.67m.).

Tax absorbs £0.48m. (£1.4m.) leaving a net profit of £0.42m. against £1.07m. The company is a wholly owned subsidiary of British American Tobacco.

Somportex upturn

Turnover of the Somportex Holdings group of confectionery importers, etc., expanded from £1.6m. to £2.28m. for the year to

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price p	+ or −	Div. Amount	Times covered	Gross Yield	P/E Ratio
a	F.P.	—	172	155	Akroyd & Smithers	158	—	u12.5	1.7	12.1	7.6
$106	F.P.	—	877	£75	Brazilian Invs. S.A.	875	—	—	—	—	—
48	F.P.	11/7	56	48	Clive Discount (20p)	50	—	5.0	—	9.0	—
55	F.P.	21/8	66	55	Lawrence (Walter)	56	—	b4.5	2.7	12.6	4.5

FIXED INTEREST STOCKS

Issue Price	Amount Paid up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price	+ or −
::	F.P.	21/8	93	89¾	Adwest Grp. 10½% Conv. [illegible]	90	.....
$100	F.P.	—	101½	£99½	Barclays Bank Int 9¾% Capital Notes 1982	101½	.....
£100	£10	7/11	11¼	10¼	Barnet Corp. 13½% 1980	10½	−⅛
£100	£10	7/11	12¼	10	Do. Do. 14% 84/5	10¾	+⅛
£100	F.P.	—	100	99¼	CSR 9½% Notes 1980	99¼	.....
£99	£10	12/9	10½	9¾	Camb. Water 9% Red. Pref. 1980	10	.....
£97½	£50	12/9	50⅜	49⅝	City of Westminster 12% Red. 84. 1981	50½	.....
£98½	£10	5/12	11⅛	10⅛	Derby (C. C.) 12½% Stk. 1982	10¾	−⅛
£99	F.P.	29/8	100¼	99⅛	East Surrey Water 9% Red. Pref. 1980	99⅛	.....
£100	F.P.	—	104	95	English Properties 12% Conv. Ln. 2000/5	95	−1
£100	F.P.	—	108½	100	Ennia Finance (U.K.) 8% Conv Gtd Unsec Ln 85-90	103	+½
£99	F.P.	31/7	112	100⅜	Folkestone Dist. Water 9% Red. Prf. 1980	100½	.....
£100	£50	23/10	54¼	53	Hoechst 10% Guar. Ln. 1990	53	−¼
£100	F.P.	21/8	107½	97	Mitchell Cotts 13% Conv. Uns. 90/5	101	+1
£99	£10	—	10¼	10	Newcastle & Gate 9% Red. Prf. 1980	10	.....
£99	F.P.	31/7	112¼	100⅜	N. Surrey Water 9% Red. Prf. 1980	100½	.....
£100	F.P.	—	105	93	Property Hldgs. & Inv. 9% Conv. '90/5	93	−1
£99	F.P.	29/8	99¾	99¼	Sunderland Water 9% Red. Pref. 1980	99¼	.....
::	F.P.	—	80	77½	Turner Curzon 16% Conv. Uns. 78-80	85	−5
::	F.P.	29/8	101⅜	98¼	Whitbread 11% Conv. 1995	99¼	−¼

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Dates		Stock	Closing Price p	+ or −
18½	Nil	—	—	Adams Foods	¼pm	.....
110	F.P.	28/7	25/8	Anderson Strathclyde	108	−2
43	F.P.	20/6	8/8	Associated Engineering	49	−½
25	F.P.	7/7	21/8	Barrow Hepburn	34	−1
45	F.P.	7/7	10/9	BOC Intl	42½	−½
115	F.P.	21/7	1/9	Bowater	128	−2
50p	F.P.	25/7	5/9	British Steam Specialties	50	−1
40	F.P.	3/7	8/8	Carless Capel	54	−1
30	F.P.	21/7	29/8	Century Oils	34	.....
$A1.50	F.P.	2/7	7/8	Commercial Bank of Australia	208	−2
45	Nil	6/8	4/9	CompAir	4pm	−1
72	F.P.	30/7	28/8	Dunbee-Combex-Marx	103	+3
25	Nil	—	—	Empire Stores	31pm	−2
65	F.P.	4/7	21/8	Ever Ready	81	.....
10p	Nil	4/8	5/9	Feedex	8pm	.....
38	F.P.	11/7	1/8	GEI Int	38	.....
200	F.P.	4/7	7/8	Glaxo	346	−3
25p	nil	—	—	Hanson Tst.	55pm	.....
25	F.P.	21/7	11/8	Hazlewoods (Proprietary)	35	.....
10p	F.P.	29/7	3/9	Headlam Sims & Coggins	12	.....
20	F.P.	22/7	8/8	Kwahu	19	.....
48	Nil	—	—	Law Land	¼pm	−¼
104	F.P.	30/7	15/8	Legal & General	105	−2
50	F.P.	18/7	21/8	London United Invs.	65	−2
25p	F.P.	23/7	20/8	Macfarlane Group	58	.....
128	Nil	—	—	McCorquodale	16pm	.....
210	Nil	1/8	29/8	Metal Box	1pm	−5
10p	F.P.	2/7	8/8	N.S.S. Newsagents	47	.....
60	F.P.	9/7	8/8	Nurdin Peacock	77	.....
105p	F.P.	21/7	29/8	Pegler Hattersley	109	−1
180	F.P.	11/7	1/8	Phoenix Assurance	194	−2
$A1.50	Nil	—	—	Poseidon	53pm	+5
5p	F.P.	13/7	5/8	Premier Cons Oilfields	11	+½
67	F.P.	24/7	19/8	Redland	69	.....
106	Nil	—	—	Renold	2½pm	.....
20	F.P.	4/7	8/8	Root Harvesters	24	+1
10	F.P.	28/7	12/9	Senior Engineering	13	+½
27½	F.P.	10/7	21/8	Serck	31½	.....
80p	F.P.	25/7	12/9	Siebe Gorman	107½	−1
95p	F.P.	25/7	5/9	Smiths Industries	95	.....
170	Nil	6/8	5/10	Tate & Lyle	3pm	−4
65	F.P.	17/7	7/8	U.K. Optical	82	.....
50p	F.P.	21/7	15/8	Unicorn	52	.....
53	Nil	—	—	Westland Aircraft	3pm	.....
110	Nil	5/8	29/8	Wheatsheaf Distribution & T.	6pm	−2

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital; cover based on dividend on full capital. p** Pence unless otherwise indicated. u Forecast dividend; cover based on previous year's earnings. † Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender. ✻ Offered to holders of Ordinary shares as a "rights". ♥ 100 $ Air cents. § Rights by way of capitalisation. †† Tender allotment price. ◆ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ♣ Introduction. ♠ Issued to former Preference holders. ‡ Allotment letters (or fully-paid). † Provisional or partly-paid allotment letters. $ With warrants.

THE BRADWALL (F.M.S.) RUBBER ESTATE LIMITED

At the sixty-fifth Annual General Meeting of the Company held yesterday Mr. T. B. Barlow, the Chairman said:—

The results for 1974 for Bradwall can be briefly summarised: a record trading profit of £484,854 which included £220,782 being interest and dividends.

Staffield Estate 612 acres planted was sold for £332,670 net which probably will entail a payment of £27,715 capital gains tax. Once again our balance sheet total has increased from £2,946,909 to £4,858,845 and of this the estates and fixed assets before selling Staffield stand at £2,728,908 and current assets account for £2,129,937. Your Board expect to be able to put forward a scheme in the autumn at an Extraordinary General Meeting whereby the capital will be increased and the Company's activities may be widened.

Caledonia Investments Limited

Sir Nicholas Cayzer Reviews Year's Results

The 46th Annual General Meeting of Caledonia Investments was held on July 30th in London. The following is the circulated statement of Sir Nicholas Cayzer, Bt., the chairman:

The results were very much as expected, having benefited from increases in the final dividend paid by The British & Commonwealth Shipping Company Limited (B & C) in August, 1974, and the interim dividend paid by that company in January, 1975.

In a difficult year, trading, before interest charges, shows a marginal increase. This is a rather better performance than the figures indicate as, prior to the close of the year, we disposed of a 50 per cent. interest in our South African subsidiary, Sintered Metal Components (Pty.) Ltd., to local interests, with the result that this became an associated company. While in recent years this company has prospered, the base of management was very narrow and sales of sintered parts were confined largely to the motor industry. By association with a large engineering group the opportunity for advancement is enhanced. Both the Amber and Urquhart groups continue to make progress, though in the case of Urquhart the cost of opening up in Germany was more expensive than anticipated. Our thanks are due to the management and staffs of the companies concerned who have striven hard to improve on previous performances.

The balance sheet shows a considerable degree of liquidity arising significantly from the repayment on 31st December, 1974, of Loan Stock by B & C, which was issued by that company on the acquisition of The Scottish Lion Insurance Company Limited, and a part disposal of our holding in Bramalea Consolidated Developments Limited, a Canadian property development and investment company. Since the close of the year, we have sold the balance of our holding and I should explain that the sale was made to accommodate a new situation which has arisen in Canada and is becoming apparent in other parts of the world. I refer to the impediments being placed in the way of companies with a significant foreign shareholding acquiring land for the purpose of development. I think in cases such as Bramalea the restrictions fail to recognise the contributions which have been made over the years by the use of foreign capital in the creation of a new community. It is our intention to reinvest the money as opportunity arises but, taking into account our own loan capital and the total value of the portfolio, the degree of liquidity is not out of proportion to the whole.

Undoubtedly, we are living through a period of great difficulty and uncertainty. To keep afloat will require a re-emergence of all the good traditional commonsense of the people of this nation.

At the meeting Sir Nicholas Cayzer said there was little he could add to his statement which accompanied the Accounts. At the Annual General Meeting of The British & Commonwealth Shipping Company Limited, which had been held earlier that day, he had advised that although a downturn in profits from the level achieved in 1974 must be expected, he had no reason to think that the directors of that Company would be unable to recommend ordinary dividends for 1975 in excess of the 1974 dividends by the statutory 10 per cent. maximum. In the course of his remarks he drew attention to the grave national difficulties which were faced at this time, and expressed the hope that the belated efforts of the Government to attack the evils of inflation would not be too little and too late. He re-affirmed his belief in Free Enterprise, for without a profitable private sector he saw little hope for the future.

The economic climate was bound to affect the trading potential of the subsidiaries, Urquhart Engineering and Amber Industrial Holdings, but in both cases current trading was satisfactory.

Overall, he would not expect any significant change in the ultimate profit of the group for the year to March, 1976.

The Report and Accounts were adopted.

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Drastic measures needed at Enka-Glanzstoff

BY FRISO ENDT — ROTTERDAM, July 30.

ENKA GLANZSTOFF, the leading Dutch fibres producer, will suffer "considerable losses" between 1975 and 1980, in particular in the yarns and fibres sector, "if no drastic measures and adjustment are made."

This is the result of a market research report carried out by the American consultancy McKinsey and Co., for Enka-Glanzstoff. Enka (43,000 personnel) is the fibres and *yarns division of Akzo, the* Dutch-based multinational chemical, food and fibres manufacturer. McKinsey's report was published last night by the Enka-Glanzstoff board of management. It says that "only drastic reorganisation, and other measures, will be able to save Enka from heavy losses in the next five years." Akzo's board of management added in a separate statement that Enka's serious *losses between 1975 and 1980* will "damage Akzo's possibilities as a whole for the future."

Enka's losses over 1975 are ex*pected to be Fls.400m. Commenting* on these first conclusions the Dutch trade unions said that they felt the original starting point of McKinsey's report was "too restricted." and that its report "speaks only about the future of the fibres industry in Western Europe." Enka's Board said that it feels that short-term solutions will have to be found for the three products (basically its heavy loss makers), namely rayon-nylon-textile yarns and rayon fibres production.

These three are mainly produced in Holland by factories in the cities of Emmen, Ede and Arnhem. To begin with, reorganisation will be necessary in the Arnhem plants. Enka's Board considers that production capacity will have to be adjusted to decreasing demand.

McKinsey's report does not say how big, where and when adjust*ments will have to be made.*

Lay-offs are—according to first comments from the trade unions —"unacceptable." Yesterday *the Board informed* the trade unions and the Enka workers' council about the outcome of the report. The trade unions also said that their first conclusions and comments are not final and that they will take a definite standpoint after consultations with trade unions in other European countries.

McKinsey says in its report that Enka Glanzstoff suffers from overcapacity in a decreasing market. This results in further overcapacity and bigger losses. McKinsey based its conclusions on to-day's market situation, and future possibilities until 1980, for 12 Enka products.

Potential differs for a number of these products. Heavy synthetic yarns for industrial purposes will not suffer from special problems and should con*tinue to earn profits on a base* of growing demand. But this is not enough to make up for the loss-making areas.

Exports boost Berliet sales

BY ROBERT MAUTHNER — PARIS, July 30.

BERLIET, the former Citroen lorry subsidiary which has been taken over by Renault, has *announced* a net turnover of Frs.1.79bn. (about £180m.) for the first six months of this year *compared with sales of Frs.1.5bn.* during the same period of last year.

As much as 55 per cent. of this figure was accounted for by exports, M. Vincent Grob, a *Berliet* director said. But the delicate state of the domestic market was underlined by the fact that exports had to rise by some 70 per cent. over their 1974 level to produce a 19 per cent. *increase in global turnover* by value.

M. Groh added that any measures taken by the authorities to pump new life into the economy, planned for the autumn, *would have no practical* effect on the lorry sector, depressed since the last quarter of 1974, for at least six months and probably not for nine months.

The latest figures published by the French Automobile Manufacturers Association show that overall French truck production fell by nearly 27 per cent. during *the first half of 1975, compared* with the same period of the previous year.

Berliet itself announced a loss of just over Frs.4m. (£400,000) for 1974 earlier this year, compared with a profit of more than Frs.5m. in 1973. The loss brought the company's accumulated deficit to Frs.21.6m., but it is hoped that the company's chronic financial difficulties will eventually be solved by the Renault take-over. *This will give* France a single large truck company grouping Saviem and Berliet, expected to produce more than 70,000 vehicles annually.

Elf forms Egyptian unit

BY ROBERT MAUTHNER — PARIS, July 30.

THE FRENCH state-controlled Elf Aquitaine oil group has announced the formation of an Egyptian subsidiary—Elf Aquitaine Egypt, with a capital of Frs. 1m. (about £100,000) — to *handle exploration operations in* that country.

Elf signed an off-shore oil exploration agreement with Egypt in June covering an area of some 2,200 square kilometres of the Mediterranean north of Alexandria.

The group said it had also set up another subsidiary in the Fiji islands with a capital of Frs. 1m. to carry out oil exploration in the region.

Roussel-Uclaf optimistic

BY ROBERT MAUTHNER — PARIS, July 30.

ROUSSEL-UCLAF, the leading French pharmaceuticals group taken over last year by Hoechst of West Germany, appears to be weathering the current economic *storm rather better than most* companies, according to its Managing Director, M. Henri Monod.

Although M. Monod warned in a statement that the faster rise in costs than prices would result *in a slow-down of the company's* development and a reduction of its profits during the current year, he nevertheless admitted that Roussel Uclaf was in a good position to overcome the serious difficulties facing private companies at the present time.

During the first quarter of this year, sales rose by about 13 per cent., if the contribution made by the recently acquired Rochas perfumes company is taken into consideration, and this progress is expected to be maintained un*less there is an unexpected* deterioration of the economic situation.

Production would continue at a satisfactory level and the company's overall results in 1975 could be comparable to those of 1974, M. Monod said. According to current estimates the volume of investments would even increase and the research budget would rise by the same amount as in 1974.

Earlier this month, Roussel-Uclaf announced an increase in net consolidated profits of 10 per cent. — from Frs.87m. in 1973 to Frs.96m. last year.

Grupo Velazquez expansion

BY ROGER MATTHEWS — MADRID, July 30.

GRUPO VELAZQUEZ, in which Slater Walker *Securities is the* largest single shareholder, has become what is estimated to be Spain's single biggest independently controlled portfolio manager following the acquisition of four other investment concerns.

The other companies involved in the deal are Liga Financiera, the International Basic Economy Corporation (IBEC) and Euroholding SA, which in turn controlled four principal financial service companies, Copernicus, Hispanibec, Serfige and Transfactor. The deal is understood to be worth in the region of £4.5m.

Hispanibec manages the top Crecino investment trust while Copernicus controls 13 closed-end investment companies.

Grupo Velazquez is also making a one-for-one rights issue at ptas.600 per share (50 per cent. over par). Shareholders in the newly-acquired companies include Rockefeller interests, the important local family of Garrigues Walker and the Chase Manhattan Bank.

The key man behind the deal is Mr. Charles Burdett, who personally, and through his family, owns an estimated 10 per cent. of Grupo Velazquez. Apart from Mr. Burdett and Slater Walker no other shareholding in the new group is thought to reach double figures.

The acquisition, described more as "a pooling of interests," gives Grupo Velazquez a much broader base from which to operate and should provide a degree of objectivity not always available to other financial managers. The vast bulk of portfolio management in Spain is handled either through the banks or their subsidiary companies. At the same time the banks have their own substantial industrial and corporate interests which at times has led to doubts on whether their investment policies follow entirely disinterested lines.

FTC accepts Xerox settlement

By Jay Palmer

NEW YORK, July 30.

THE LONG STANDING battle between the Federal Trade Commission and Xerox is finally over. This morning the FTC officially notified the large copier company that it *accepted the revised settlement* of its original 1973 anti-trust complaint.

This final decision comes three months after the FTC threw open for public comment the proposed terms of its revised consent settlement. That particular scheme in mid-April had followed an FTC decision to throw out a tentative settlement of the charge reached in late 1974.

Under the terms of the now final settlement, Xerox has been allowed to retain its stake in its two principal overseas subsidiaries, Rank-Xerox and Fuji-Xerox. In this sense the decision represents a major victory for the company since, over the last few months, an increasing number of its competitors had pleaded with the FTC to mandate divestiture.

However, Xerox is now prohibited from offering package rates to large customers leasing combinations of different models. At the same time the company must now allow competitors to license up to three of its patents without demanding in turn any cross-licensing rights. Furthermore Xerox is not allowed to cross-license until four years after the competitor's product has hit the market.

While the package pricing restriction will probably give competitors an entry into Xerox markets that it was able to dominate by its sheer size, the value of the patent decision is questionable. The size of investment needed to produce and market a copier is so large that mere possession of a patent may not be of great value.

Strikes push El Al into the red

By L. Daniel

TEL AVIV, July 30.

EL AL Israel Airlines incurred only a small loss during 1974-75—a year in which most international airlines logged large deficits, it was disclosed *by the company here.*

El Al's deficit came to £30,000, which was roughly the size of the profit in the preceding year. The company could have been again in the black, and thus *maintained its 15-year profit* record had it not been for strikes by ground crews which cost it close to £800,000 in the course of the year.

The airline also reports a 31 per cent. rise in gross income to £70m., a 2.8 per cent. decline in passengers carried to 735,772, but a 23.3 per cent. increase in airfreight to 36,300 tons and a significant two per cent. increase in occupancy to 68.3 per cent. During a year when tourism declined by 8 per cent. El Al managed to increase its share of total passengers arriving or leaving the country to 51.9 per cent., with the remaining 48.1 per cent. divided among 17 other, foreign airlines.

The outlook for the current financial year is confused. El Al is one of the companies most affected by the reform of the Israeli tax system now coming into force under which all fringe benefits, allowances and payment of expenses will be counted as taxable income (though at tax rates lower than those applied hitherto). El Al has been paying its crews their foreign currency allowances—for tax purposes—at the exchange rates in force in 1952, when the Israeli pound was at parity with sterling *(against I.£13.3 to a pound* sterling to-day).

This means, El Al president Mordehai Ben Ari warned, that the airline will either have to get a premium (as do other exporters) on their foreign exchange earning or will have to raise its prices.

Elron intends to go public

By L. Daniel

TEL AVIV, July 30.

ELRON, one of Israel's leading electronics producers which was founded over a decade ago by a group of Haifa Technion professors, intends to go public. Elron is now a holding company for a number of subsidiaries such as "Elbit" which makes table-top computers and Elscint, which produces electronic medical equipment. Hitherto, only investment companies and suppliers of know-how have been in partnership with the original founders.

This will be the first issue in two years on the Tel Aviv Stock Exchange by a company not yet quoted here, and also the first *issue by a science-based company* (most of them are partnerships with foreign companies, or get government loans if they export or produce import substitutes).

GUYANA GLASS FACTORIES

By Our Own Correspondent

Guyana is to set up two glass factories in another 18 months in a bid to capture the whole Caricom market for glass products. A U.S. concern, General Glass Equipment, of New Jersey, is to supply $14m. of equipment for the two factories, 25 miles outside Georgetown in the sand-rich Linden Highway area.

The plants will produce 20 tons *of glass every 24 hours from* Guyana's silica-rich sands as well as glass wares such as drinking glasses and ash trays in addition to sheet and pressed glass.

Prices Tribunal approves BHP steel price increases

BY KENNETH RANDALL — CANBERRA, July 30.

THE PRICES Justification Tribunal to-day approved increases of 10.5 per cent. in *Broken Hill Proprietary Company's* steel prices after what was widely regarded as a test case hearing — based on restoration of profitability, rather than the normal grounds of increased production costs.

The tribunal is likely to receive a flood of similar applications following to-day's apparent precedent.

The BHP case was a landmark in the two-year history of the Tribunal and the first in which the Government has intervened. It argued an essentially neutral point of view, stressing both the need to contain inflation and the importance of profitability to maintain investment.

BHP, however, declared flatly that it would suspend investment programmes totalling $A1.2bn. unless it received approval for the full 14 per cent. rise it sought. There was no comment from the company after to-day's decision by the tribunal.

It seems likely, nevertheless, that the investment programme will go ahead, at least in modified form. The company's latest accounts indicate that a 10.5 per cent. price rise *would achieve* the level of profitability—about 10 per cent—it regarded as essential.

BHP has just announced a profit on its overall operations of $A109m. *But in steel-making*, where it has about two-thirds of its $A1.5bn. assets, there was a loss of $A5m. In the previous financial year, steel making returned a $A8.5m. profit.

The main feature of the company's proposed new investment programme is a $A600m. expansion of its Newcastle (New South Wales) steel works, including a *new blast furnace and wharf* facilities.

Hitachi profit forecast

TOKYO, July 30.

HITACHI SAID it maintains its earlier forecast that profits and sales in the six months to September 30 will be about unchanged from those of the previous half, despite an expected loss in its heavy machinery division. Hitachi earned a net profit of Y8.33bn. in the six months to March 31 on sales of Y547.386m.

The company made no detailed forecast for the expected machinery division loss, which would be the first since the war, but said the deficit could be heavy. The division accounts *for about a quarter of total sales.*

Hitachi said the heavy machinery division is suffering because it is still producing machinery ordered on a fixed-price basis before the oil crisis. These fixed-price contracts will not be fully cleared until the middle of next year.

Reuter

INI raises $110m. Euroloan

BY MARY CAMPBELL

INSTITUTO NACIONAL de Industria *(INI) signed a loan* agreement in London to-day under which it can borrow $110m. for six years on the Euromarket. The loan carries a spread of 1⅜ per cent. Lead manager is Chemical Bank.

The loan agreement contains provisions which allow INI to refinance half of the original principal for a further four years beyond the six year final maturity on approximately the same terms. The refinancing commitment has been made by Chemical itself and one of the co-managers, Westdeutsche Landesbank Girozentrale.

Spain has been, and continues *to be a heavy borrower of* medium term Euromarket money. The current account deficit was over $2bn. in the first nine months of last year.

Latest loan reported in the market is $36m. for Autopistas de Enlace. This loan is reportedly in two equal tranches of $18m. One tranche, which offers a spread of 1½ per cent., is believed to be guaranteed by the Spanish state, while the other, offering a 1⅝ per cent. spread is under bank guarantee. Lead manager is reportedly Chase Manhattan.

★

Four subsidiaries of Continental Can in Canada, the Netherlands, Germany and the U.S. have arranged loans totalling $47.6m. Maturities range from seven to 15 years and interest rates, which are fixed, from 9 to 10 per cent.

★

The Kingdom of Denmark is to float a Fls.75m. issue on the Dutch capital market. Maturity will be 15 years and coupon 9 per cent. Lead manager will be Algemene Bank of Nederland.

★

The Alusuisse DM100m. issue has been priced at 99½ per cent. on a coupon of 8¼ per cent. This will be the last issue on the D-mark foreign bond market for at least a month.

Saarland steel recession

BY GUY HAWTIN — FRANKFURT, July 30.

SAARLAND steelworks are expecting a cutback in raw steel production of more than 30 per cent. this year and Saarbergwerke, *West Germany's second* largest coal concern, is awaiting a similar fall in demand for coal and coke.

Dr. Erwin Anderheggen, Saar-Bergbau's chief executive, has *reported that the recession in the* steel industry has already led to a build-up of coal stocks. However, the concern has no plans to trim coking coal production, which is good news for the Saarland, one of the most depressed areas in the Federal Republic.

Saar-Bergbau is building up coking coal stocks as it believes that there will be a boom in *steel demand next year.* Citing the example of the 1974 steel boom, Dr. Anderheggen stated that it would not be possible to meet such an increase in demand for coking coal without stock-piling.

The 1974 steel boom, the by-products of which were higher coal prices and increased demand for energy, provided a welcome shot in the arm for Saar-Bergbau. While it did not make an overall profit, losses were drastically reduced compared with the previous year's performance. The momentum was such that the "positive results" were carried forward into the opening months of new year, despite the heavy downturn in steel demand.

Turnover increased by 35.5 per cent. from the previous year's DM2.42bn. to DM3.28bn. This increase, however, reflected the substantial increase in prices during the course of the year rather than a pure rise in volume output. Turnover in 1975 is expected to stagnate.

A breakdown of sales shows that 19 per cent. of 1974's turnover was derived from coal production, 27 per cent. from the power and coke production sector, 9 per cent. from technical products and 45 per cent. from trading operations.

The year's deficit of DM11.9m. *was well below the DM93m. loss* recorded for the previous year. Of the group loss, some DM5.1m. stemmed from the operations of the parent company which the previous year had lost a total of DM89m.

During the course of the year, there was a particularly heavy increase in personnel costs. While the number of employees increased by only 2.6 per cent., expenditure on the staff side soared by 20 per cent.

Wage rises accounted for only a portion of this increase, which was in large part a result of new statutory increases in staff pension reserves. However, the rise in personnel expenditure last year means in the coal sector, *staff costs represented some 48* per cent. of turnover.

At the end of 1974, the concern's payroll totalled 28,826 employees compared with 28,582 the year before. But personnel *costs rose from 1973's DM875m.* to over DM1.03bn.

Investment by the group increased substantially last year and it is planned to rise still further. Capital investment, *which in 1973 totalled DM107m.,* reached DM136m. in 1974. Depreciation, however, declined from 1973's DM104m. to DM82m.

The coal sector, which employs some 15,900 workers—more than half of the group's labour force —produced some 8.93m. tonnes of bituminous coal in 1974. This is to rise to 9m. tonnes this year and some 9.4m. tonnes by 1979.

To reach these figures an investment of *DM285m.* will be required, according to the group's five year plan. Saar-Bergbau states that while in the coal mining sector the average investment over the past few years has worked out at around DM1.40 per tonne mined, investments from 1975 to 1976 would increase to about DM6.10 per tonne.

Company Results

Bethlehem Steel earnings dip

● Bethlehem Steel second quarter earnings fell to $1.14 per share (1.60) or net of $49.713m. (69.624m.) on revenues of $1.293bn. (1.342bn.).

The company said its prospects for the third quarter are not favourable, but gave no figures. Continuing low demand and inventory reduction by customers *and normal seasonal factors* will depress steel shipments, it said. But as the economy gains momentum it expects shipments to improve in the fourth quarter and beyond.

● Atlantic Richfield reports net income of $70.38m., or *$1.23* a share, for the second quarter ended June 30—a decline of 50 per cent. compared with $139.73m., or $2.47 a share, reported for the same period last year. Consolidated sales and other operating revenues rose four per cent. to $1.83bn. in the quarter against $1.765bn. last year. Return on average employed capital declined to 7.10 per cent. in the second quarter compared with 14.66 per cent. last year.

Mr. Robert O. Anderson, chairman, said results for the second quarter reflected a continuation of unfavourable conditions which prevailed in the first three months of the year—depressed profit margins from foreign operations, the effect of detrimental federal tax changes effective in 1975, and continued absence of Congressional action in establishing a realistic national energy policy which recognises the capital requirements of the domestic petroleum industry.

● Exxon has declared a dividend of $1.25 per share. It said the *latest dividend will bring* payments for the first three quarters of 1975 to $3.75 per share, compared with $3.45 for the same period in 1974.

Earnings recover at American Petrofina

By David Curry

BRUSSELS, July 30.

AMERICAN PETROFINA'S net income for the second quarter of 1975 amounted to $9.61m. (90 cents per share), compared to $4.6m. (43 cents per share) for the first quarter, and $19.24m. ($1.80 per share) for the second quarter of 1974. The improvement in earnings during the second quarter of 1975, compared with the first quarter, was attributable to greater production of crude oil and natural gas, to higher prices of refined products and to some recovery in demand for products of the petrochemical and plastics division, the company reports.

Net income in the first half of 1975 was $14.2m. ($1.33 per share) compared with $32.32m. ($3.03 per share) in the same period of 1974. Gross revenue was $459.77m. during the first six months of 1975, and $471.41m. for the same period in 1974.

Compared with the first *half of 1974, earnings* were hurt by a substantially lower level of sales of plastics and petrochemicals, particularly export sales of petrochemicals, by losses on tanker operations, and by increased costs of raw materials and operations which were not fully recovered in the prices of refined products.

Increases in charges for depreciation, depletion and amortisation, attributable in large part to the company's policy of writing off undeveloped offshore leases over a five-year period, also served to reduce net income during the first half.

Recovery at Avis

Financial Times Reporter

MR. WINSTON V. MORROW Jnr., chairman and president of Avis, reports that preliminary figures for the half-year showed a rise in sales to $188.2m. from $178.8m., an increase of 5.2 per cent.

Profits after tax for the half-year more than doubled to $3.18m. Earnings per share were 42 cents (32 cents in January-June, 1974), a weighted figure which takes account of additional shares issued this year.

Mr. Morrow said U.S. revenues increased in all departments. In Europe, sales were higher but profits were held back by price controls and currency revaluations which entailed a loss of $276,000, comparing with a gain of $296,000 in the same period of last year. Vehicle sales improved to $4.84m., or double the 1974 level of $2.42m. There was an appreciable saving in interest charges—down to $5.56m. from $6.87m.

Nevertheless, the Board had decided to vary its policy of declaring quarterly dividends, and to follow a course of conserving cash resources, Mr. Morrow stated.

Avis did not pay a quarterly dividend for the first quarter of the current financial year and has decided to continue this policy for the time being. In this way company earnings can be retained to improve the equity base and, Mr. Morrow feels, should allow continued growth and the establishment of a more flexible borrowing programme. An Avis spokesman in London said that the total dividend payment for the year is unlikely to be affected by this change in policy on quarterly dividends.

● Sales and earnings of Warner-*Lambert for the second quarter* were the highest for any comparable periods. Sales were $535.93m., an increase of 16 per cent., compared with $460.94m. for the same period last year. Net earnings were $41.33m., up 12 per cent. from $37.06m. in 1974. Earnings per share were 52 cents, an increase of 11 per cent. compared with 47 cents per share in the second quarter of 1974.

SELECTED EURODOLLAR BOND PRICES
MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Amax 8¾pc 1986	99	100
Ashland 8pc 1987	90½	91½
Australasia 8pc 1987	90	91
BFCE 9pc 1989	92	93
Borregaard 8½pc 1989	93	94
Carrier 8pc 1987	90	91
Conoco 8pc 1986	96	97
Consd. Foods 7¾pc 1991	84	85
Cutler Hammer 8pc 1987	90	91
EIB 9¾pc 1985	100½	101½
Esso 8pc 1986 Nov.	98½	99½
General Cable 8½pc 1987	88½	89½
General Motors 8¾pc 1986	102	103
GTE 8¾pc 1986	92	94
ICI 7½pc 1982	79	80
Nat. Grindlays 7½pc 1987	77	79
Pacific Light 8pc 1989	90½	91½
Prov. of Quebec 7¾pc 1986	87	88
Quebec Hydro 8¾pc 1989	95	97
Queensland 8¾pc 1987	98	99
Scanraff 8¾pc 1988	96½	97½
Shell 8pc 1990	97½	98½
Stand. Oil (Ind.) 8¾pc '88	99½	100½
Tenneco 7¾pc 1987	87	88
Transocean 8pc 1988	95	96
TRW 8¾pc 1986	96	97
Utah 8pc 1987	91	92
Volvo 8¾pc 1985	99	100

NOTES	Bid	Offer
Air France 9¾pc 1982	101	102
Aust. Ind. Dev. 10¼pc 1981	102	103
Barclays 7¾pc 1978	97	98
Cie Nat. du Rhone 10pc '82	102	103
Du Pont 7¾pc 1978	100	101
Esso 7¾pc 1978	100	101
General Motors 8¾pc 1976	101	102
Marubeni 9¼pc 1982	99	100
Nippon Fudosan 10¼pc 1981	102	103
Skand. Enskilda 10¼pc 1981	102½	103½
Tenneco 7¾pc 1979	96	98
Tokyo Curacao 10¼pc 1981	102	103
Source: White Weld Securities		
CONVERTIBLES		
American Express 4¼pc '87	66	68
Ashland 5pc 1988	78	80
Beatrice Foods 4¼pc 1992	92	94
Beatrice Foods 4⅞pc 1992	92	94
Borden 5pc 1992	88	90
Broadway Hale 4¼pc 1987	75	77
Canon Camera 7pc 1989	90	92
Carnation 4pc 1987	57	59
Chevron 5pc 1988	98	100
Dart 4¾pc 1987	55	57
Eastman Kodak 4½pc 1988	112	114
Economic Labs. 4½pc 1987	84	86
Eidai 7pc 1993	93	95
Ford 6pc 1986	85	87

	Bid	Offer
Ford 5pc 1988	72	74
Fuji 6½pc 1985	106	
General Electric 4¼pc 1987	84	85
Gillette 4¾pc 1987	76	78
Gould 5pc 1987	80	82
Halliburton 4¼pc 1987	128	130
Harris 5pc 1992	66	68
Hitachi 6¾pc 1984	101	
Honeywell 6pc 1986	78	80
ITT 4½pc 1987	69	71
Komatsu 7½pc 1990	145	147
J. Ray McDermott 4¾pc '87	142	146
Mitsui 7¾pc 1990	140	
J. P. Morgan 4¾pc 1987	114	116
Motorola 4½pc 1983	120	125
Owens Illinois 4½pc 1987	88	90
J. C. Penney 4½pc 1987	82	84
Pioneer 8pc 1989	130	135
Rand Selection 6¾pc 1986	95	100
Rank 4½pc 1993	42	44
Revlon 4¾pc 1987	96	98
Sperry Rand 4¼pc 1987	95	97
Squibb 4¾pc 1987	56	58
Toshiba 6¾pc 1990	100	101
Union Carbide 4¾pc 1982	102	104
Warner Lambert 4¼pc 1987	84	86
Warner Lambert 4¾pc 1988	79	81
Xerox 5pc 1988	74	76

Source: Kidder, Peabody Securities.

BOOKS

Satirical Spinster
BY C. P. SNOW

Jane Austen by Douglas Bush. Macmillan, £5.95. 205 pages

Sanditon by Jane Austen and another Lady. Peter Davies, £3.50. 329 pages

Mr. Douglas Bush, who is a Harvard academic, has all the virtues of a high-class American scholar, one or two of the weaknesses, and an unpretentious certainty of his own. He has written a splendid book on Keats. Now, more deliberately unpretentious than ever, he has produced what with excessive modesty he describes as a "Reader's Guide" to Jane Austen.

On the surface, the book—which is an addition to the Masters of World Literature series, edited by Louis Kronenberger—reads rather as he describes it. There is a short chapter on Jane Austen's England, another on her life and family, followed by careful descriptions of each of the novels, accurate, scrupulous, witty in a self-suppressing fashion.

It takes a certain amount of attention to the sub-text to recognise that Mr. Bush is acquainting us with a remarkable amount of what has been written about Jane Austen during the past 30 years. It takes even more attention to recognise that he is also telling us what, in the least assertive way imaginable, he thinks of each of the novels and of the currents, swirls, misjudgments of attribution, boss-shots, of contemporary critical opinion. It is beautifully done, and a pleasant, well-mannered addition to Jane Austen's Bicentennial year.

Once or twice, as with other American scholars, his manners are a shade too good. He has a tendency to mention sheafs of opinions, favourable, neutral, unfavourable, on a novel, as it might be *Mansfield Park*, from hordes of Austen relations down to critics, well-known or utterly obscure, of the present day—apparently on the principle of one man, one vote, and as though all opinions were equally valuable or equally negligible. It may conceivably be that Mr. Bush, who has a vein of subdued sarcasm, in secret believes that those last two words are true. However, the appearance of literary egalitarianism does strike one as somewhat odd.

His own views on the novels, which are never obtruded, are nevertheless quite clear. For Mr. Bush, *Northanger Abbey* is a gifted juvenile work. So, more developed, is *Sense and Sensibility*. *Pride and Prejudice* is a marvellous display of a young woman's wit and hope. (I should like to put in a word of mild dissent. He seems to me to underrate *Pride and Prejudice* a good deal, as sophisticated readers are always tempted to do with a writer's most popular and famous work cf. the underestimation by Dickensian experts of *Pickwick Papers*, or by Trollopians of *Barchester Towers*.)

Mr. Bush does not share the modern worship of *Mansfield Park*. To him, as to some of the rest of us, that book shows the creaks of strain all the way through. It was written too much from the conscience and the will, and not from the writer's whole nature. With *Emma* and *Persuasion*, Mr. Bush feels in the presence of major masterpieces. That set of judgments is surprisingly close to those of a distinguished Russian scholar, V. Ivasheva, in a recent (Moscow 1974) substantial volume on the 19th Century English novel. Jane Austen has never been widely read in Russia, nothing like so widely as Dickens, Scott, Thackeray, and, to a lesser extent, George Eliot. Professor Ivasheva remarks that the translation of *Pride and Prejudice* by Samuel Marshak (whose versions of Robert Burns in Russia are an extraordinary feat) doesn't catch the sharp irony of the original. Language as undecorated as Jane Austen's is very hard to translate with full resonance, and that may have been a barrier throughout.

Professor Ivasheva reads the books as Mr. Bush does, and regards them almost as highly. Not quite as highly. Yes, they are masterpieces; but, even in Jane Austen's later and mature years the "irresistible fascination" of irony imposed a restriction. Probably, if she had lived longer, she wouldn't have achieved, or wanted to achieve, the full fluidity or liberty of the greatest novelists.

There is something in that. Jane Austen was a good and very courageous woman, and a writer of acute penetration. She turned the literature of her predecessors, such as Fanny Burney, into art of dazzling originality. In her letters, one can see why those closest to her loved her. She had the classical attributes both as woman and novelist, and there aren't many classical novelists in English.

Nevertheless, it is a bit fretting to be lectured about her moral genius. Moral genius isn't synonymous with censoriousness, which in fact usually excludes the former: and there is rather too much censoriousness in Jane Austen's novels, though less in her letters. She believed in a stable hierarchical society. Fair enough. To maintain a stable hierarchical society, girls must marry within their own class, or even their own sub-class. Fair enough again. From the aspect of this world's wisdom, this is sensible, and Jane Austen was very sensible. But she does file the dice to the benefit of her own prototypes (Elizabeth Bennet, Anne Elliot and the rest) and against the humbler and lowlier girls. There is no special reason why in her intrinsic nature, as opposed to her birth, Harriet Smith should be unworthy of some not specially illuminated middle-class gentleman.

With stoical bravery and spirit, Jane Austen, already mortally ill with Addison's disease, began a new novel. Rather oddly, the ambience of the book was to be the development of a holiday resort, which seems to have been Sidmouth transferred to the Sussex coast. This was the passion and project of one of those not-too-rich gentlemen living on a private income, whose actual finances are a puzzling feature throughout the Austen corpus.

Jane Austen, born 200 years ago: a portrait by Zoffany

In the eleventh chapter of *Sanditon*, which Jane Austen got down on paper, she managed to introduce this man's brother, obviously intended to be a lively hero, suitable for a good clear-headed strong-willed Austen heroine. After those 11 chapters, Jane Austen became too weak to continue, and we shall never know how the middle of the book was to be filled out, though we can guess the happy ending.

Now "A Lady" has completed the book, with considerable skill as a *pasticheuse*. "A Lady" is clearly an experienced writer with a sharp talent of her own. It is difficult to emulate Jane Austen's economy, and one doubts whether the book, if she had lived, would have been quite so long. But this attempt, another Bicentennial tribute, is well worth reading by Austen lovers, even if a few will get cross and fail to preserve their idol's moderation.

Free Love
BY JOHN LEHMANN

The Tamarisk Tree by Dora Russell. Elek/Pemberton, £5.95. 304 pages

Dora Russell sub-titles her book: "My quest for liberty and love." It was a pretty tough quest.

Some reviews may have given the impression that the book contains nothing but lurid accounts of amorous goings-on in privileged places. In fact, almost the reverse is true, though many of the author's causes were pursued during her stormy relationship with Bertrand Russell, whose second wife she became early on in her career.

Born Dora Black, eight decades ago, in a reasonably well-to-do middle-class family who lived in the London suburbs and gave her a happy childhood, she showed herself brighter than the average very early on. A junior scholarship at Sutton High School was followed by a First in Little Go and a scholarship at Girton. At the end of her student years she was awarded a Fellowship, and a career as a high-minded, radical bluestocking academic seemed to offer her its austere but not unrewarding prospect. She made friends in Bloomsbury and in the Labour movement, and used to declare openly her disapproval of conventional, legal marriage and her belief in free love. Russell happened to be listening on one of these occasions, and took her at her word. This was the turning point in her life.

Dora Russell in 1928

"Russell has the quickest mind of anyone I have ever known," wrote Leonard Woolf, the one member of "Old Bloomsbury" Dora Russell confesses to a special sympathy for, "like the greatest of chess players he sees in a flash six moves ahead of the ordinary player and one move ahead of all the other Grand Masters." But it was not this quality of the famous philosopher and author of *Principia Mathematica* that attracted Dora Black, but his wit, his love of fun, his appearance of helplessness, his need of someone maternal to look after him. "What a trap for an unwary loving partner!" she writes, with the sorrow, if not bitterness, of hindsight.

One might almost conclude that the trap was specially prepared by the Spirit Ironic for two believers in free love. The moment she became pregnant, Russell, though over-joyed, began to worry about marriage. Not yet an Earl, but soon to become one, shades of his ancestors demanded that if the child was a boy he must legitimise him. Therefore he must divorce his first wife and marry Dora before the birth.

Reluctantly she agreed to a course which she now maintains was "little short of disaster" for her. The disaster was to lie in the fact that after the birth of their two children, John and Kate, both began to have extra-marital affairs and Mrs. Russell (she would never call herself Countess) became pregnant by one of her lovers.

Panic of the ghostly ancestors! What would happen if it turned out to be a male child and John died young? A divorce must be arranged at once. So began a long, painful struggle which involved a Deed of Separation, a squalid action in the Divorce Courts and the Russell children being made Wards in Chancery. It turned their love into loathing and hostility and no reconciliation occurred before Russell's death. "Bertie" she writes, "got everything that he wanted and I nothing whatever except a modest allowance" which came to an end on his death.

During their years of happiness they made an expedition to (pre-Communist) China, where they were enthusiastically fêted and Bertie nearly died, quarrelled about Soviet Communism (Dora ardently pro, though she later had serious reservations) after separate visits, took an active part in Labour politics, opened a "progressive" school together, and campaigned on many a platform and in many a pamphlet against the Christian religion and anti-feminine prejudice and in favour of World Sexual Reform and Birth Control.

The story of all these earnest activities is recorded at length, occupying the greater part of the book, in a prose that has few graces and is pretty hard going at times. For good measure, however, the author adds a number of poems she wrote at various stages in her career. I would not personally choose any of them for an anthology, but at least they are evidence of a romantic heart beating underneath the high-minded intellectual zeal.

Parks and Prospects
BY H. A. N. BROCKMAN

The Shell Guide to Viewpoints of England by Garry Hogg. Osprey Publishing. £3.95, 300 pages

Britain's National Parks. Edited by Mervyn Bell. David and Charles. £4.95, 150 pages

The Companion Guide to The Coast of South-East England by John Seymour. Collins. £3.50. 288 pages

No Through Road. Automobile Association book of Country Walks. £7.95—£6.50 direct to AA members

The Shell Guide is aimed at the motorist who "likes to combine short drives with scrambling or walking to convenient viewpoints." Fifteen high places are chosen for the wealth of beauty to be seen within a radius of 17½ miles (why 17½?) and these are well illustrated by a somewhat fuzzy technique with 146 photographs. The book therefore serves the motorist who seeks to economise with petrol.

Each viewpoint is prefaced by a circular map with the principal features marked on the map and numerically identified alongside. The profuse illustrations accompany a lively and knowledgable text which I might possibly be able to fault, although I doubt it, if I were such a traveller and investigator of detail as Mr. Hogg, which I am not.

The book on National Parks is aimed rather at the walker than the motorist, some cautionary photographs of car pollution bringing a pointed moral to the well produced and sometimes magnificent photographs of this fine survey. The good fresh air of natural parkland is conveyed both by illustration and text.

The South Coast has done well from still another of the Companion Guides, well illustrated and with good maps. Mr. Seymour's text is lively and full of information, always interesting and sometimes rare. It is a guide that is difficult to put down once the train of history and incident has started its absorbing journey from the North Foreland to Lyme Regis. It is good to see the title, author and publisher embossed across the spine instead of lying down along it.

The publication from the Automobile Association is unusual and most valuable. It comprises a weighty collection of over 20 loose-leaf illustrated guides, secured by a ring binder and each based on the area of a "selected walk." A transparent wallet is provided to hold the "walk" extracted from the collection for a particular trip. Also included is a well illustrated soft cover book on "Walking in Britain" with contributions by well-known writers on the countryside. Finally there are two pocket books, one a handbook of flora and fauna to enable things seen to be identified and the other a quiz book as a test of local knowledge. A worthwhile portmanteau for the keen walker with a car.

Race Haven

Goodwood by David Hunn. Davis-Poynter, £5.25, 208 pages

As a biographer, as it were, of England's most notable racecourses, Mr. Hunn is carving something of a niche for himself. He started with Epsom, has now dealt handsomely with Goodwood, and will no doubt shortly take the road to Ascot.

"Goodwood," wrote one journalist with 19th-century directness, "is the loveliest place on earth," and so it possibly is—the only racecourse in the world, at any rate, where to vast numbers of its spectators the racing itself is no more than a series of mildly amusing interludes in a day that would be blissfully happy anyway.

A pity, then, that late-20th century considerations like economic self-sufficiency have obliged the modern-day Goodwood Estate Company to think in terms of profitable side-ventures as a means of holding the house, the estate and the racecourse together, for if some of us could have our way we'd put it back to what it was: back to the elegance of the 1830s, or at least the 1900s, when beside its single grandstand there were avenues of beech trees, and Goodwood dripped with duchesses.

Mr. Hunn's story, supremely well researched, is as much the story of the nine Dukes of Richmond as their estate and their racecourse.

This year the family is celebrating the 300th year of its existence. Anyone who wishes to escape, however momentarily, the rigours and the hardships of 1975 is invited to step back, with Mr. Hunn as guide, into the quieter, more satisfactory, era of Goodwood's early glories.

Michael Thompson-Noel

FICTION

In the Bronx
BY MARTIN SEYMOUR-SMITH

The Wanderers by Richard Price. Chatto and Windus, £3.25. 223 pages

The Goddaughter by Harriet Crawley. Weidenfeld and Nicolson, £2.95. 184 pages

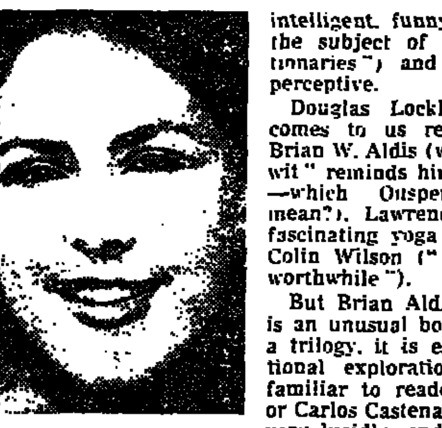
Skirmish by Douglas Lockhart. Peter Owen, £3.75. 182 pages

I Sent a Letter to My Love by Bernice Rubens. W. H. Allen, £3.50. 197 pages

The Legend of Ararat by Yashar Kemal. Translated from the Turkish by Thilda Kemal. Collins/Harvilla, £3.00. 159 pages

Three Mint Lollipops by Robert Sabatier. Translated from the French by Patsy Southgate and Joan Wright Smith. Elek, £3.50 262 pages

Christopher Homm by C. H. Sisson. Carcanet Press, £2.80. 239 pages



Harriet Crawley: dream affair

The Wanderers, which reaches us here after an enormous success in the United States, is as bleak and scarifying a picture of one side of New York life as Hubert Selby's *Last Exit to Brooklyn*. It has rightly been compared to Selby—and has been praised by him.

It deals with the lives of an adolescent Bronx gang with piercing exactitude and imaginative zeal. Its comedy in no way lessens its impact—it rather adds to it, since it throws the squalid truth into even sharper outline.

The Wanderers are an Italian gang, who share their territory with similar Negro, Irish and Chinese groups. There has not been as accurate or as savage a portrait of adolescent gangland since James T. Farrell's *Studs Lonigan* (set, of course, in Chicago). The shadow in which the gang fights for its (pointless) survival is the end of their youth: they are soon to leave school, and beyond this their prospects are grim.

Richard Price's style is terse: it has to be, for his subject is not believable (though it is true). His skill with dialogue is great. This is a depressing book; yet it affirms more than it denies. For the author pays unobtrusive homage to the vitality of his characters, and shows many of them as finding a way into life. An outstanding novel which deserves all the plaudits it has received.

The Goddaughter, Harriet Crawley's first novel (but she has written an excellent study of European universities and revolt called *A Degree of Defiance*), is about a young art-student, Renata, whose dream is to have the most beautiful love-affair of all time. She gets caught between a vicious millionaire and a punctilious, eminent civil-servant who is more than twice her age—the latter is her godfather.

This novel ends on a falsely sentimental note, which is a pity because for most of the way it is intelligent, funny (especially on the subject of young "revolutionaries") and psychologically perceptive.

Douglas Lockhart's *Skirmish* comes to us recommended by Brian W. Aldis (who says its "sly wit" reminds him of Ouspensky—which Ouspenksy can he mean?), Lawrence Durrell ("a fascinating yoga parable") and Colin Wilson ("fascinating and worthwhile").

But Brian Aldis is right: this is an unusual book. The first of a trilogy, it is essentially a fictional exploration of territory familiar to readers of Gurdieff or Carlos Castenada. It is written very lucidly, and avoids pretentiousness—a rare feat in such a work.

Bernice Rubens (who won the Booker Prize for 1970) has written her best novel yet in *I Sent a Letter to My Love*, a study of a woman faced by the prospect of old age and despair. This is, in one sense, a "success" story, for Miss Rubens' Amy Evans does attain some happiness, though she pays a high price for it. This is moving and comic, and the Welsh setting is handled excellently.

Yashar Kemal (now under persecution by the Turkish government) is most famous for *Memed, My Hawk*. He is a powerful storyteller, and this lyrical tale of a love affair shows him at his best: it combines folklore elements with modern psychology in just the right proportions. There are many pleasant drawings by Abidin Dino.

Robert Sabatier's *Three Mint Lollipops* continues the semi-autobiographical saga of a Montmartre childhood begun in *The Match Boy*. It has the same honesty and brilliance.

Carcenet Press have done a great service in reissuing C. H. Sisson's *Christopher Homm*, which must surely now be recognised for the masterpiece it is.

Clever Clan
BY MARGARET HUGHES

The Warburgs by David Farrer. Michael Joseph, £5.00. 255 pages

The Warburgs, unlike their banking colleagues the Rothschilds, have made little impact on the general public. David Farrer hopes to change this by lifting the veil of anonymity which surrounds the personalities within the Warburg dynasty.

This family took its name from the German Westphalia town of Warburg. Its first ancestor Simon von Cassel adopted Warburg as his surname on moving there from the neighbouring Cassel in the sixteenth century. At this period Jews in Germany were not allowed surnames and could identify themselves only by the names of the towns in which they were allowed to live.

There Simon Warburg prospered as a money changer—a business which his descendants continued when they later moved to Danish Altona and nearby Hamburg. From these modest beginnings grew the world famous banking firm of M. M. Warburg. David Farrer's book concentrates on the direct descendants of Moses Marcus and Gerson who founded the bank in 1798.

These include Max Warburg, who was largely responsible for the rapid growth which gave M. M. Warburg international banking stature. His younger brother Paul became the chief architect of the Federal Reserve Board in the U.S. The Warburg family extended its activities into the U.S. through—certainly in banking terms—the fortuitous marriage of a third brother Felix into the New York banking firm of Kuhn, Loeb, as did later his brother Paul.

Its American links have since proved invaluable to the Warburgs, both in their role as international bankers and in providing a haven during the World War II years when the family had eventually to take refuge from Nazism. Retreat from Nazi Germany also brought their much younger cousin Siegmund Warburg to London where in 1946 he brought a breath of fresh air to the City by founding the merchant banking firm of S. G. Warburg.

But not all Warburgs were bankers. Those who achieved eminence in other fields include Max's elder brother Aby, an art historian who founded the Warburg Institute and cousin Otto who won the Nobel prize for cancer research.

David Farrer sets out to achieve his "comprehensive biography" by devoting separate chapters to the various personalities. This seems a logical approach but is sometimes confusing for at the same time he has striven to record events in sequence when quite often events and characters obviously overlap.

The book goes into some detail about their Jewish background and all that this implied in Germany over the years. But at the same time the author emphasises that Warburgs have always shown great loyalty to their country of birth or adoption—be it Germany, America or Britain. The individual cameos also bring out some of the characteristics of individual members — the flamboyancy of some contrasting with the cautious, industrious approach of others. It also touches on the considerable influence—including in banking—of the Warburg women.

But despite the author's aim of giving flesh and blood to the Warburg name, he gives little insight into what makes them a clan to be reckoned with—in so many spheres. The characters have certainly been identified but David Farrer has not succeeded in making them appear as vital and inspired as they surely must have been to make the mark they have.

All scrubbed
BY MICHAEL DONNE

Project Cancelled by Derek Wood. Macdonald and Jane's. £5.05. 253 pages

One of the most astonishing things about the U.K. aircraft industry has been its capacity for survival in the face of all the difficulties governments, State airlines and chiefs of the armed forces have created for it over the post-war period. This is not to suggest that the industry is devoid of some share of the responsibility for all things that have gone wrong over the past three decades. Indeed, the industry has on occasion demonstrated a breath-taking complacency, and its appetite for public funds has been voracious—many would claim it still is. But of its resilience there can be little doubt, for few other industries have been called upon to bear the brunt of cancellations amounting to over £1,000m., for a wide variety of political, economic or strategic reasons, and still survive.

Derek Wood's analysis of this situation is valuable in that for the first time the reasons behind many of the cancellations that made the headlines over the years are brought into the open. They reveal collectively a sorry tale of inter-service rivalries between Chiefs of Staff, inter-Departmental jealousies (and sometimes genuine differences of view) in Whitehall, and no less bitter commercial antagonisms between individual companies fighting for large sums of public money to finance design ideas, some of which can, with hindsight, be seen clearly to be not worth the paper upon which they were drawn.

It is probably fair to suggest that such jealousies and difficulties exist to a greater or lesser extent in all industries. But what makes them so much more significant where aviation is concerned is that the sums involved are that much larger, and have come in large measure from the public purse, so that the ultimate cancellation, for whatever reason, is more spectacular in its impact. There has been a tendency for the blame for many of the failures to be laid directly at the industry's door, and while there is no doubt that the industry can now be seen to have taken some wrong decisions and gone up some blind alleys, Mr. Wood's analysis shows that sometimes the criticisms have been unjust.

Very often, decisions taken in apparent isolation on various projects by separate organisations can now be seen to fit into a historical pattern that has collectively resulted in the decline of the industry's competitive position. Examples include the decisions by the RAF and BOAC not to buy the Vickers 1,000 long-range jet, and the insistence on pushing ahead with the long-range Britannia turbo-prop at a time when the big U.S. makers were moving into the jet field. The combined effect of these and many other decisions over the past three decades is seen to-day in a basic political dissatisfaction with the aerospace industry, surfacing in the current socialist desire to nationalise it—which in itself many believe to be potentially disastrous to the industry's ability to compete in world markets.

No industry taking such large sums of public money can ever be free of politics—it is naive of some in the industry to-day to believe that it can—and there is always therefore likely to be some cause for friction with Whitehall. But if there is any lesson to be learned from Mr. Wood's penetrating historical study it is that both the industry and the country need clearer long-term policy objectives in aerospace to ensure that over the next 30 years the ingredients of a similar tale of woe are not brought together.

U.K. ECONOMIC INDICATORS

General	Unit	1975 June	1975 May	1975 Apr.	1974 June	1974 May
Unfilled vac'n's¶	'000s	141.3	164.1	173.4	447.5	429.8
Unemploymt. ¶	'000s	869.8	850.3	889.7	515.8	535.4
Currency resrv's	$bn.	6.198	6.491	7.132	6.711	6.920
Manf'd prods. d	1970=100	188.8	187.3	182.5	151.1	148.9
Basic mater'ls d	1970=100	227.5	225.8	222.9	213.9	214.0
Terms of trade	1970=100	82.2	80.8	79.8	73.2	72.8
Bank advances b	£bn.	13.646	13.182	n.a.	n.a.	n.a.
Retail prices ...	Jan.'74=100	137.1	134.5	129.1	108.7	107.6
Wage rates	July'72=100	180.1	174.9	168.9	136.0	131.2

		May	Apr.	Mar.	May	Apr.
HP debt¶	£m.	2,284	2,290	2,265	2,352	2,357
Indust. output**	1970=100	101.2	102.0	103.4	107.5	107.3
Rtl. sales val.**	1971=100	165.5	184.4	166.3	138.5	138.8

Trade and Industry		1975 June	1975 May	1975 Jan.-June	1974 June	1974 Jan.-June
Imports f.o.b.**	£bn.	1.609	1.602	1.692	1.832	1.651
Exports f.o.b.**	£bn.	1.440	1.586	1.493	1.341	1.206
Visible trade balance	£bn.	−0.169	−0.016	−0.199	−0.491	−0.455
Comm. vehicles*	'000s	28.2	31.8	33.2	41.2	33.1
Cars*	'000s	91	70	104.1	165.9	137.8
TV sets‡‡	'000s	162	152	212	229	260
Radios, radiograms‡‡‖	'000s	381	384	385	455	483
Steel (weekly average)*	'000 tonnes	343.5	336.3	426.5	480.5	436.2

		May	Apr.	Jan.-May	May	Jan.-May
Bricks*	millions	423	437	409.6	569	477.8
Cement (wkly. average)*	'000 tonnes	365	327	324	375	338.6
Houses cmpltd.¶	'000s	25.0	25.2	23.6	21.3	18.4
Man-made fibres*	m. kgs.	53.64	48.13	46.17	55.90	58.77
Furniture†** ...	1970=100	148	162	152	136	136

		Apr.	Mar.	Jan.-Apr.	Apr.	Jan.-Apr.
Hosiery*	1970=100	82	84	85.8	101	98
Petroleum†	m. tonnes	7.57	7.22	7.62	7.68	8.26
Raw cotton (wkly. average)	'000 metric tonnes	1.87	1.96	1.94	2.63	2.23
Engrg. (orders on hand)** ...	1970=100	116	119	121	138	136.5
Elec. cookers† [	'000s	79.1	75.2	77.8	94.8	75.2
Washg. mchns.†	'000s	118.2	91.8	94.9	78.3	76.5

		Mar.	Feb.	Jan.-Mar.	Mar.	Jan.-Mar.
Machine tools†	£m.	27.5	25.1	25.2	22.2	18.5
Raw wools§	m. kilos	9.3	9.1	9.1	11.1	9.5

		2nd qtr.	1st qtr.	Year to date	2nd qtr.	Year
Consumer spending	£bn. 1970 values	8.950	9.059	18.009	8.782	35.759

		1975 1st qtr.	1974 4th qtr.	1974 1st qtr.	1974 Year	1973 Year
Motor trade turnover	1967=100	243	209	186	207	193

		1974 4th qtr.	1974 3rd qtr.	1974 Year	1973 4th qtr.	1973 Year
Bldg. and civil engineering* ...	£bn.	2.623	2,667	10.220	2.372	8.984

* Production. † Deliveries. ‡ Net sales. § Consumption. ¶ Great Britain, not seasonally adjusted. ** Seasonally adjusted. †† All manufacturing industries. ‖ Excluding car radios. ‡‡ Deliveries, U.K. made and imported sets. b From May 1975, onwards new basis of calculation refers to advances to U.K. public and private sector. Historical figures on new basis not available. d Prices. [Including cooker griller toasters.

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This means that a unique opportunity has arisen for a qualified accountant to join the management team of the Trident General Insurance Company.

We're looking for someone probably between 30-45, with experience in all aspects of financial accounting practice, preferably within the insurance industry.

He will assume full responsibility for the financial discipline of the Company and will work as a member of a closely integrated management team, reporting at board level on the financial performance of the Company.

If you think you would like to join us, we're offering an excellent salary plus good fringe benefits, including a subsidised mortgage scheme and contributory pension arrangements. Also, if necessary, we'll help with relocation expenses.

Initial applications together with curriculum vitae should be sent in strict confidence to:-

**Gordon Scott,
Managing Director,
The Trident General Insurance Company Limited,
19 Hanover Square,
London W1.**

DEPUTY CHIEF ACCOUNTANT
c. £4,500

Here is a worthwhile opportunity for a lively young ACA or ACCA aged between 25 and 30 years who has recently qualified and is now seeking his first position of major responsibility.

Our client is an international market leader in seismic data processing for the petroleum industry, located in modern offices in a pleasant country town in one of the most attractive parts of Kent and within easy reach of London.

The successful candidate will control the general accounting procedures for two companies including the preparation of monthly accounts and the supervision of staff. Salary is unlikely to be a problem for the right person and this position offers the prospects of an exciting career in a rapidly expanding industry.

For further information please telephone or write in complete confidence quoting ref: 507/FT.

THE ARENS GROUP
375 City Road, London EC1V 1NA, England
Telephone: 01-278 9476

Old Established Stockbrokers

require

Qualified or partly-qualified Accountant

to oversee whole accounting procedure, deal with currency accounts, Stock Exchange returns, etc. Must be willing to perform detailed work as well as supervise. Stock Exchange experience essential. Write Box A.5169, Financial Times, 10, Cannon Street, EC4P 4BY.

INSOLVENCY

We are looking for a man experienced in the administration and routine matters of Insolvency, liquidation and receivership, to join a team of specialists in our insolvency department.

Due to the current and planned future expansion of the department the successful applicant will have to demonstrate the ability to take initiative, work without supervision and control and advise staff.

A professional qualification is not as important as experience in this field and age is not particularly relevant.

The salary envisaged depends largely upon the experience of the individual but will be substantial. We would like to think that the successful applicant will view the position as a long term prospect.

For further details write, giving brief particulars, or telephone David Gwynne-James, Arthur Young McClelland Moores & Co., Moor House, London Wall, London EC2Y 5HP. Telephone: 01-628 4070.

AYMM

ACCOUNTANCY APPOINTMENTS APPEAR EVERY THURSDAY

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Investment Administration

Opportunities now exist for two people to join the administration staff of Schlesinger Investment Management Services Limited the rapidly expanding institutional fund management company within the international Schlesinger Organisation as :–

Investment Accountant

The applicant, who need not necessarily be qualified, will be expected to maintain complete investment accounting records for insurance company, pension and private client funds and prepare the necessary monthly papers for submission to the Board.

Contracts Clerk

The applicant will be expected to record and control the preparation and issue of contract notes for share transactions and advise banks and brokers of settlement details.

Both applicants will have suitable and responsible experience most probably gained in the investment department of a City institution or stockbroking firm and will be fully conversant with all aspects of Stock Exchange procedures both in the U.K. and overseas.

Fully competitive salaries with benefits, which include a contributory pension scheme, will be paid to the successful candidates and prospects for advancement are excellent.

Applications, which should include a career and salary history, will be treated in strictest confidence and should be addressed to :–

*A.J.A. Grey, A.C.A.,
Finance Director,
Schlesinger Investment Management Services Limited,
19, Hanover Square,
London W1A 1DU.*

Schlesingers

LIL

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A leading International Bank requires a qualified E.D.P. Auditor for their European/Middle East/African area, aged 25-30, to support the Internal Audit teams by running on their behalf file interrogation packages as required. He will also be responsible for Data Centre auditing and for the review and approval of all new systems' development and the audit of systems in production at the Bank's Data Centres.

The ideal applicant will be a Chartered Accountant, preferably single, with at least three years' successful E.D.P. audit experience, ideally in a banking environment. The position will require 30/40 per cent. travel, but will be based at Head Office in the West End.

Please submit your career profiles, and contact telephone number to:

ALAN STUCK F.C.A. at Lachlan International Ltd.
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Tel: 01-251 2596 Tel: 01-253 5709

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Accountant required by insurance subsidiary of U.S. Company. Responsibilities include but not limited to preparation of management accounts, overseeing accounting department, data processing, government returns, taxation, investment analysis, pension fund supervision. Possible European expansion. A.C.A. essential and minimum of 3 years insurance company experience helpful. £5,500+ negotiable.

Please send in confidence to Box A.5105, Financial Times, 10, Cannon Street, EC4P 4BY.

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INTERNATIONAL
COMMODITY HOUSE

- ★ Wishes to engage a professionally qualified ACCOUNTANT to be in complete charge of Accounts, age 30-40 years.
- ★ Should be able to deal with all aspects of Accounts Department, its work and systems co-ordinating with Trading activities.
- ★ Foreign exchange dealings and administrative ability definite advantages.
- ★ Initiative, drive and leadership qualities are important as the successful applicant will be expected to join the Board in the near future. For this no capital investment is required.
- ★ Salary negotiable.
- ★ Confidential applications in writing giving full details of qualifications and experience, with references, should be sent to Financial Times, Box E6199, 10, Cannon Street, EC4P 4BY.

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CITY **TO £6,000**

The shipping division of a multi-million pound international organisation seeks a qualified accountant with probably 2/3 years post qualifying experience. Aged 25-30 the applicant should be able to communicate diplomatically at all levels (from ships' crews to Managing Directors) and have an understanding of systems.

Apart from the control and recruitment of support staff, this totally non-routine job will involve the development, implementation and control of fleet costs amounting to around £15m.

Short term promotion prospects for the right calibre of man are good. A small amount of travel is envisaged during and after familiarisation period.

For further details telephone or write to:

Mr. Cripps, 01-584 8352,
CRIPPS, SEARS AND ASSOCIATES,
2 Basil Street, London, SW3 1AA.

C&L

London/Dorset **c £8,000**

CORPORATE TAXATION MANAGER

A leading unit-linked life assurance company, part of one of the world's largest international groups, requires a Corporate Taxation Manager who will be responsible for all aspects of corporate taxation matters in the U.K. and overseas.

The position requires at least 4-5 years' tax experience, preferably in a life assurance company, and a good accounting background. Relevant experience and background is more important than qualification and age, but it is likely that the successful candidate will be professionally qualified and it is unlikely that anyone below 30 will yet have gained sufficient experience for the position.

The head office is to move from London to Dorset within the next 2 years and if this necessitates moving house, generous relocation assistance will be provided.

Brief but comprehensive details of career and salary to date, which will be treated in confidence, should be sent to:

The Executive Selection Division – MF466.

Coopers & Lybrand Associates Ltd.,
Management Consultants,
Shelley House, Noble St., London, EC2V 7DQ.

Accountant/Company Secretary

required by progressive firm of Estate Agents and Surveyors operating throughout Worcestershire and South Birmingham. We are looking for a man with considerable organisational ability to take complete charge of the administration of this large practice to include the overall supervision of a fully mechanised accountancy system. The successful applicant will advise the partnership on all aspects of financial control and, besides taking the burden of day to day administration will be involved in all major policy decisions. Chartered Accountant or Chartered Secretary preferred but formal training is not essential to a man of the right quality. Pleasant working conditions with a happy team in one of England's most attractive counties. Salary range £4,000-£6,000 p.a. plus fringe benefits.

Full details to.—
**Philip Amphlett F.R.I.C.S.,
Banks & Silvers, The Tudor House,
Bromsgrove, Worcs.**

ARE YOU INTERESTED IN INTERNATIONAL FINANCE?

A young Chartered Accountant is required as Assistant Financial Controller with a group of companies located in Victoria area concerned with the purchase and sale of crude oil and refined petroleum products amounting to some hundreds of millions of pounds sterling per annum, arising in various countries and involving a number of currencies. If you have the necessary financial ability and a flair for this type of accounting expertise please send full particulars of your business background to:

J. W. Cairns
Tampimex Oil Products Ltd.
13 Grosvenor Gardens, London SW1W 0BD

GENERAL APPOINTMENTS

CONTINUED FROM PAGE 7

European MIS Manager

Chemical Bank is one of the world's leading international banks, and the sixth largest in the USA. We are completing the initial specification phase of a Management Information System for our European branches, and we require a manager to implement and manage the System over a three-year period. You will undertake primary responsibility for:

- Seeing the System through automation.
- Working with all levels of management to maximise its use as an analytical tool and as a basis for decision-making.
- Evaluating, revising and expanding the System as necessary to ensure its responsiveness to and effectiveness in meeting management's information needs.

You will be based in London, as a member of our European Planning Group. Because of the broad scope encompassed by MIS, you may expect to move on to an extremely responsible line or management position after completing this assignment.

You will ideally have an accounting background, significant international banking experience, and exposure to MIS. You must have experience in working with senior management, effective written and oral skills, and be willing to travel. A fair understanding of automation techniques would be desirable.

We offer a very substantial starting salary and an attractive range of benefits which include low cost mortgage, profit sharing, BUPA and a non-contributory pension scheme. Please write fully, in confidence, to:— Alan Bartlett, 10 Moorgate, London EC2R 6DD.

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- ★ Who must be readily accepted by all major Consumers, Dealers and Brokers throughout the world.
- ★ The successful applicant must also have initiative, drive and leadership qualities as he will be expected to join the Board in the near future. For this no capital investment is required.
- ★ Salary negotiable.
- ★ Confidential applications in writing giving full details of qualifications and experience, with references, should be sent to Box No. E6201, Financial Times, 10, Cannon Street, EC4P 4BY.

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Orion Bank, a leading multinational investment bank owned by six of the world's major banks has vacancies for Credit Analysts.

The Bank provides a specialised training course in the sophisticated techniques of Credit Analysis and the practical experience on which, after two years, a career in Investment Banking and Corporate Finance can be developed.

Applicants should be between 24 and 28 years of age with a university degree. This should be followed either by a post graduate qualification in accountancy, law or business studies, or a minimum of 3 years practical experience in a relevant financial sector.

A well-developed intellect, a logical approach to problems coupled with an inquisitive nature, and an outward going personality and the ability to get on well with people are essential.

Salary according to experience. Non-contributory pension fund, house mortgage facilities.

Applications which will be treated in confidence should be accompanied by a full curriculum vitae and sent to:

The Personnel Director
Orion Bank Limited, 1 London Wall, London EC2Y 5JX
Tel: 01-600 6222

ORION

Property Banking & Administration

A major City financial institution has vacancies in property banking, servicing multi-million pound portfolios well spread over leading residential builders and developers. The work, which is demanding and highly responsible, provides the necessary basis for a sound and challenging career.

Those appointed will join experienced teams of professional men engaged in exacting assignments. They will require skill in financial analysis, report writing and viability studies and should have the personal qualities necessary for direct dealing at a senior level. Experience of the UK property scene would be an advantage.

Applicants should be qualified ACA aged not less than 25, or bankers with lending or securities experience of similar minimum age and preferably studying for or qualified AIB.

An attractive salary will be paid, together with a non-contributory pension and the prospect of assisted house-mortgage, and other benefits.

Please ring
01-623 3020 extension 344 for an application form.

GENERAL APPOINTMENTS ALSO APPEAR TODAY ON PAGE 7

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Up 6 despite new inflationary fears

BY OUR WALL STREET CORRESPONDENT

NEW YORK, July 30.

THE RECENT downward movement was halted on Wall Street to-day, and the market staged a rally, despite fears that recent Soviet purchases of U.S. grain may trigger a new inflationary spiral.

The Dow Jones Industrial Index recouped 6.8p to 831.66 and the NYSE all common Index recovered 38 cents to $47.53, while rises led falls by 821-to-376. But the trading volume decreased 2.85m. shares to 16.15m.

Analysts said there was little in the news to account for the rally and that it seemed to spring from internal market dynamics following severe recent losses. Several analysts had considered the Stock Market "oversold."

General Motors were lifted $2 to $51½ on its higher second quarter profits, which were above estimates of industry analysts.

Chrysler were firm, despite a big loss for the June quarter. The chairman expects it to return to profitability in the fourth quarter of 1975.

Bethlehem Steel added $½ at $34 on higher six months' earnings despite reduced profits in the second quarter.

McDonald's also edged higher on improved quarterly results.

CMI Investment dropped $2½ to $8¾—it is discontinuing new business in its mobile home insurance subsidiary and establishing a provision for about $18.8m. of reserves estimated claims.

Lubezol fell $2¾ to $48.

NVF gained $1½ to $10½, following its 5 per cent. and 15 per cent. stock dividends.

Northwest Energy jumped $2¾ to $28¼—it found gas in a wildcat Colorado well.

The American SE Market Value Index moved up 0.27 to 89.96, with advances outumbering declines by 302 to 259. Westgate Petroleum, the most active issue, shed $¼ to $9¾ on 74,800 shares.

Gearhart-Owen rose $1¾ to $33¼ and Coachmen Industries gained $1½ to $16½.

Banks, Foods, Breweries, Constructions, Rubbers, Electricals, Chemicals and Stores were all easier.

Metallurgicals held their ground, while Portfolios, Engineerings, Motors and Oils were mixed.

Foreign stocks followed the general downward trend, with exception of Canadian shares.

BRUSSELS—Slightly higher in moderate trading.

In Steels, Arbed rose Frs.95 to 4,150. Among firm Metals, Vieille Montagne advanced Frs. 230 to 4,485 and Hoboken Frs.15 to 3,925. Chemicals lost ground. Tessenderloo were off Frs.35 to 1,545 and Solvay Frs.40 to 2,680.

In easier Oils, Petrofina slipped Frs.30 to 5,320. Mosane advanced Frs.16 in firm Holdings. Electrical and Utility stocks were mostly higher. Interbrabant rose Frs.16 to 1,480.

Among Internationals, South African Gold Mines declined. Vaal Reefs dropped Frs.35 to 1,635. In lower German shares, Hoechst fell Frs.60. Peugeot declined Frs.100 to 2,400. Among lower Dutch shares, Hoogovens were off Frs.18 to 790.

U.S. shares eased.

AMSTERDAM — Fractionally lower in slow trading.

Among Internationals, Akzo lost Fls.1.20, Philips Fls.0.10, Royal Dutch Fls.0.60, and Unilever Fls.0.60.

In Banks Algemene Bank Nederland shed Fls.10 to 330—it is planning a close co-operation agreement with Bank Mees en Hope, up Fls.20 to 174. Slavenburgs Bank fell Fls.9 to 268, but the others were steady.

Insurances, Transportations and Dutch Industrials generally closed weak.

Bond market losses averaged Fls.0.10 to Fls.0.20.

GERMANY — Predominantly higher.

Banks were generally up. Commerzbank rose DM0.80 to 214.60, Dresdner Bank DM2.10 to 247 and Deutsche Bank DM2.30 to 325.60.

In slightly higher Electricals, Siemens firmed DM0.20 to 275.20 and AEG DM0.50 to 75. Chemicals were better. Bayer put on DM0.20 to 116.70, Hoechst DM1 to 132.50 and Basf DM1.60 to 142.90. Metals were also higher.

Motors mostly gained ground. VW rose DM3.40 to 114.90 and Daimler DM7 to 314, but BMW shed DM1 to 237. Steels improved.

Minings mostly hardened, Utilities were higher, Stores were mixed to lower, while Breweries gained a little ground.

OSLO—Banks were firmer, Insurances little changed, Industrials quiet, while Shippings were steadier.

COPENHAGEN — Generally firmer, with Banks, Communications and Industrials all higher.

VIENNA—Very quiet.

SWITZERLAND — Narrowly irregular in dull trading.

In mixed Banks Bankgesellschaft improved, while Kreditanstalt and Volksbank were each slightly lower. Interfood "B" edged up Frs.50 to 2,400 in otherwise little changed Financials.

Insurances were practically unchanged.

State Bonds remained quietly steady.

Among moderately active Foreign sector, Dollar stocks were barely steady, Dutch Internationals slightly lower, while Germans fluctuated narrowly.

MILAN—Easier in quieter dealings, following the sharply increased 1976 draft Budget deficit and also ahead of to-day's monthly settlement.

Bonds were quiet.

HONG KONG—Lower in increased trading.

Hong Kong Bank were down 70 cents to $HK14.50, Hong Kong Land, 25 cents to $HK6.50, Hutchison 7 cents to $HK1.86, Jardines 50 cents to $HK21.80, Hong Kong Electric 12½ cents to $HK3.575, and Hong Kong and Kowloon Wharf, 50 cents to $HK5.50.

TOKYO—Mainly lower, influenced by weaker overnight Wall Street. Volume 120m. (90m.) shares.

Sony lost Y60 to 3,310 and Toyota Motor Y11 to 634.

Matsushita Electric shed Y7 to 514 on its 54 per cent. decline in consolidated net profit for the second quarter.

Non-Ferrous Metals gained ground in connection with the recent recovery in the London Copper Market.

Bridge and related shares responded to the Government's approval of a plan to construct a bridge linking Honshu and Shikoku.

Kawai Musical Instrument fell Y16 to 410 on a poor business performance.

AUSTRALIA—A promising rally slowed, and in some instances was reversed, following the Prices Justification Tribunal decision to grant BHP a 10.5 per cent. rise for the price of steel.

Supporters of BHP thought the increase was insufficient to make the company profitable, while the steel end users thought it was too much.

BHP finished 20 cents off at $A6.90 after $A7.20.

Pancontinental were down 10 cents at $A5.10, after $A5.30.

Oils were a shade firmer, but the popular leaders tended to drift.

Coals, Property Groups and Finance provided firm spots.

Banks began to ease in the closing minutes of trading.

Sugars benefited from the improving commodity prices. CSR rose 2 cents to $A3.95, Pioneer 4 cents to $A3.90 and Bundaberg 5 cents to $A4.10.

JOHANNESBURG—Gold shares retreated on the lower bullion price. Turnover was moderate. Losses of up to 20 cents were recorded in "small" and "medium" priced shares. "Heavyweights" lost between 50 and 100 cents.

Financial Minings were lower in line with Producers. Platinums were 2 to 5 cents off, while Coppers were generally steady.

Industrials were a shade easier.

OTHER MARKETS

Canada again mixed

Canadian Stock Markets remained mixed in light trading yesterday.

The Industrial Share Index put on 0.48 to 189.84. Western Oils firmed 0.08 to 187.06 and Papers gained 1.25 to 114.58, but Golds gave way 3.53 to 386.84. Base Metals shed 0.84 to 78.57. Utilities eased 0.06 to 130.50 and Banks dipped 1.90 to 271.63.

Nowsco Well Service rose $1 to $21, while Weststeel-Rosco improved $¾ to $13¾ on higher first half earnings.

PARIS—Lower under the impact of the Government's assessment of the worsening economic situation.

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport	Indus.	Util.	Trading volume† 000's
July 30	68.82	161.26	831.66	79.50	16,160
29	68.86	159.29	824.86	78.34	19,060
28	68.85	160.23	827.65	79.60	14,250
25	68.81	161.22	834.09	80.11	15,110
24	68.39	161.56	840.27	80.01	20,750
23	68.37	162.69	256.67	31.15	20,150
22	68.98	167.12	846.76	82.37	20,680
21	68.21	170.16	845.74	83.14	16,630
18	68.23	170.20	862.41	83.50	16,870
17	68.88	172.16	864.28	83.66	21,420
16	68.93	172.61	872.11	85.21	25,260
15	68.91	173.88	881.81	84.74	22,540
14	68.60	172.69	875.56	84.71	21,900
11	68.79	172.69	871.09	84.48	22,210
10	68.95	172.40	871.37	84.20	22,820
9	68.85	172.03	871.87	85.31	26,560
8	68.85	169.86	857.73	85.24	18,990
7	68.69	169.21	861.08	85.69	16,650
1975 High	69.92 (4/4)	174.12 (6/6)	881.81 (15/7)	87.07 (24/6)	—
Low	66.16 (3/1)	146.47 (2/1)	632.04 (2/1)	72.02 (2/1)	—
All-time High	—	279.88 (7/2/69)	1051.70 (11/1/73)	163.32 (20/4/65)	—
Low	—	13.23 (8/7/32)	41.22 (2/7/32)	10.58 (28/4/42)	—

† Excluding bonds.

IND. DIVIDEND YIELD p.c.

July 25	July 18	July 19, 1974
4.64	4.48	4.68

N.Y. SE ALL COMMON INDEX

December 31, 1965=50.

1975 High	1975 Low	J'ly 30	J'ly 29	J'ly 28	J'ly 25	J'ly 24
51.24 (15/7)	37.06 (2/1)	47.53	47.20	47.51	47.87	48.37

RISES AND FALLS

Issues traded	Up	Down	Unchanged
1,801	821	376	404

	J'ly 30	J'ly 29	J'ly 28	J'ly 25	J'ly 24
New Highs	11	4	6	9	14
" Lows	12	12	11	10	10

AMERICAN SE MARKET VALUE INDEX

Starting base 100 Aug. 31, 1973.

	1975 High	1975 Low	J'ly 30	J'ly 29	J'ly 28	J'ly 25	J'ly 24
	96.60 (15/7)	62.20 (2/1)	89.96	89.69	90.34	91.14	91.57
Volume (000's)			1,740	2,120	1,770	1,930	2,490

U.S. STOCK INDICES STANDARD AND POORS

	*Industrials	†Composite
July 30	99.68	88.82
29	96.95	85.19
28	99.34	88.69
25	100.21	89.29
24	101.12	90.07
23	101.19	90.18
22	102.61	91.45
21	103.60	92.44
18	104.50	93.20
17	105.09	93.63
16	106.25	94.61
1975 High	107.40 (15/7)	95.61 (15/7)
1975 Low	77.71 (8/1)	70.74 (8/1)

* 425 Industrials. † 425 Industrials, 50 Utilities 25 Rails.

STOCK AND BOND YIELDS

	July 23 1975	July 16 1975	July 25 1974
Ind. Ord. yield pc	3.79	3.60	2.67
Ind. Ord. p/e ratio	11.03	11.37	16.92
Long-term Govt. Bds. per cent.	3.72	3.73	6.45

WEDNESDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Texaco	300,600	25⅞	—
Occidental Petrlm.	202,900	15¼	+⅛
Xerox	175,400	61½	+1½
Searle G.D.	170,000	15⅛	−⅛
Intnl. Tel. and Tel.	153,400	22¼	+⅛
Schlumberger	142,900	79⅛	−1½
Polaroid	142,500	39⅛	+1½
Amer. Tel. and Tel.	129,700	48½	+⅛
Olinkraft	115,300	23¼	+1
Eastman Kodak	110,500	96⅛	−⅛

TORONTO

INDUSTRIAL INDEX

July 30	July 29	1975 High	1975 Low
189.84	189.36	196.50 (15/7)	159.41 (2/1)

MONTREAL

INDUSTRIAL INDEX

July 30	July 29	1975 High	1975 Low
193.46	197.41	205.61 (15/7)	159.95 (2/1)

COMBINED INDEX

July 30	July 29	1975 High	1975 Low
192.42	191.36	196.90 (15/7)	158.02 (2/1)

JOHANNESBURG

	July 30	July 29	1975 High	1975 Low
Industrials	227.3	228.0	233.9 (15/7)	183.2 (23/1)
Golds	368.1	369.6	379.1 (2/1)	285.2 (13/4)

(1958=100.) Source: Rand Daily Mail.

MELBOURNE YIELDS

Av'ge yield on 50 Leading Stocks	July 24	July 17	July 10
On Dividends	7.42	7.38	7.20
On Earnings	14.23	14.06	13.80

SYDNEY ALL ORD. INDEX

July 30	July 29	High 1975	Low 1975
359.21	359.10	383.65 (4/6)	288.69 (9/1)

TOKYO NEW SE INDEX

Base=100 January 4, 1968.

July 30	July 29	High 1975	Low 1975
317.53	318.27	333.11 (2/7)	268.24 (10/1)

HONG KONG INDEX ϕ

July 30	July 29	High 1975	Low 1975
305.13	313.91	341.57 (9/6)	160.42 (9/1)

SINGAPORE INDEX §

July 30	July 29	High 1975	Low 1975
224.78	224.34	268.69 (11/5)	153.26 (6/1)

EUROPE

	July 30	Previous	1975 High	1975 Low
Belg'm (a)	106.57	108.37	111.81 (15/5)	89.07 (2/1)
Denm'k (b)	81.29	80.76	92.20 (15/6)	73.06 (15/1)
France (d)	67.0	67.7	72.6 (25/4)	51.70 (2/1)
Germ'y (e)	712.5	712.9	725.1 (15/4)	573.2 (2/1)
Holland (f)	100.0	100.1	107.6 (6/5)	83.2 (2/1)
Italy (g)	61.58	61.96	106.26 (21/2)	81.57 (21/7)
Spain (h)	96.24	96.88	110.96 (22/4)	95.50 (4/7)
Sweden (k)	390.27	390.07	330.27 (30/1)	310.56 (9/1)
Switz'rl'd (m)	264.0	264.2	295.1 (6/5)	206.3 (2/1)

Indices and base dates (all base values 100):—(a) Belgian S.E. 31/12/63. (b) Copenhagen S.E. 1/1/73. (d) Paris Bourse 1961. (e) Commerzbank December 1953. (f) Amsterdam Industrial 1970. (g) Milan 2/1/73. (h) Madrid S.E. 31/12/74. (k) Stockholm Industrial 1/1/58. (m) Swiss Bank Corp 31/12/58. (n) Unavailable. ϕ Hang Seng Bank 31/7/64. § Straits Times 1966. (c) Closed. † Adjusted.

$ stronger

After an easier start, the U.S. dollar edged further ahead in generally featureless foreign exchange markets yesterday, with the dollar's trade-weighted average depreciation against 14 units since the Washington Agreement, as calculated by Morgan Guaranty in New York on noon rates improving to 3.07 per cent. its best level since February 8, 1974, and compared with the previous 3.16 per cent. The pound's depreciation on a similar basis widened to 30.94 per cent. against the previous close of 30.66 per cent. Sterling's trade-weighted average depreciation against ten currencies since the Washington Currency Agreement (as calculated by the Bank of England) eased at the close to 25.8 per cent. compared with the previous 25.6 per cent., having stood at 25.8 per cent. at noon and the early part of the day.

This reflected the strength of the dollar against sterling with the pound opening at $2.1750-2.1760 rising at one stage to $2.1760-2.1765 before closing at $2.1630-2.1640, its lowest ever. Against other major currencies the pound remained steady on balance.

Gold lost $½ on the previous close in a day of quiet trading to finish at $166½-167½. The krugerrand for domestic delivery ended at $179-180½ (£82¾-83½) compared with the previous close of $178-180½ (£82-83).

EXCHANGE CROSS-RATES

July 30	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Frankf't.	—	2.565-666	58.76-82	6.42-43	6.55-56	96.86-96.98	94.94-.06
N. York	38.94-97	—	22.92-96	2.610-614	2.1620-1630	37.74-76	37.00-03
Paris	170.025-425	4.3362-3680	—	11.40-43	9.46¼-4900	164.65-.05	161.55-.26
Brussels	14.88-98	38.20-26	8.74-79	—	82.79-83.14	14.41-50	14.14-25
London	5.56¼-56½	2.163-164	9.43¾-44¾	82.80-83.0	—	5.73½-74½	5.24-85
Am'erdam	105.215-285	2.6447-72	60.585-635	6.9165-9216	5.7348-95	—	98.205-.255
Zurich	105.11-28	2.6985-7010	61.35-93	7.065-0675	5.843-2505	101.85-99	—

U.S. $ in Montreal U.S.$=103.18-20 Canadian cents.

Canadian $ in New York. $C1=96.96-97 U.S. cents. U.S. $ in Milan 665.50.

Sterling in Milan 1441.00.

EURO-CURRENCY INTEREST RATES*

July 30 1975	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W.German mark	Swiss franc
†Short term	9¾-10¾	5¾-6¼	5½-6½	1½-2½	3⅝-3⅝	3-3½
7 days notice	10¼-10¾	5⅞-5⅝	6-7	1-2	3⅝-3⅞	7½-8
Month	10-10½	5⅞-6⅜	6⅞-7⅛	2⅛-2⅝	3⅞-4	3⅝-3⅞
Three month	10⅝-11	6¾-7¼	7½-7⅛	3⅝-5⅝	4-4¼	4-4¼
Six months	11¼-12	7⅝-8⅛	8¼-8⅛	5-5¼	4⅞-5⅛	5-5¼
One year	12½-12¾	8¼-8¾	8⅝-8⅞	5½-5⅝	5⅞-6⅛	5¾-6

Euro-French deposit rate short-term 11-12 per cent.; seven days' notice 7-8 per cent.; one-month 8¾-9¼ per cent.; three months 9½-10½ per cent.; six months 10½-11 per cent.; one year 11-11½ per cent.

Longer-term Eurodollar deposits: two years 8⅞-8¾ per cent.; three years 9¼-9⅝ per cent.; four years 9¼-9⅝ per cent.; five years 9¼-9⅝ per cent.

The following nominal rates were quoted for London dollar certificates of deposit: one month 6[1]/16-5⅞ per cent.; three months 6⅞-6⅞ per cent.; six months 7[15]/16-7⅞ per cent.; one year 8¼-8½ per cent.

*Rates are nominal closing rates.

†Short-term rates are call for sterling, U.S. dollars and Canadian dollars and two days' notice for guilders and Swiss francs.

GOLD MARKET

	July 30 1975	July 29 1975
Gold Bullion (a fine ounce)		
Close	$166½-167½	$167.00-168.00
Opening	$166½-167½	$168-169
Morning fixing	$166.20 (£76.579)	$167.75 (£77.126)
Afternoon fixing	$167.25 (£77.091)	$168.40 (£77.407)
Gold coins (domestically)		
Krugerrand	$179-180½ (£82¾-83½)	$178½-180½ (£82-83)
New sov'r'gns	$53½-55 (£24¾-25½)	$55-56½ (£25¼-26)
Old sov're'gns	$53½-55 (£24¾-25½)	$55-56½ (£25¼-26)
Gold coins (int'n'l'ly)		
Krugerrand	$171½-173½ (£79¼-80¼)	$172-174 (£79-80)
New sov'r'gns	$50¾-51½ (£23¼-23¾)	$50¾-51½ (£23¼-23¾)
Old Sov're'gns	$50¾-51½ (£23¼-23¾)	$50¾-51½ (£23¼-23¾)
$20 Eagles	$249-252	$250-253
$10 Eagles	$118-122	$119-123
$5 Eagles	$86-89	$88-91

FOREIGN EXCHANGES

July 30 1975	Bank Rate %	Day's Spread	Close
New York	6	2.1610-2.1765	2.1630-2.1640
Montreal	8¼	2.2280-2.2430	2.2280-2.2290
Amsterdam	6	5.73-5.77	5.73½-5.74½
Brussels	†6½	82.70-83.25	82.80-83.00
Copenh'gen	8	12.79-12.88	12.85½-12.86½
Frankfurt	4½	5.54-5.58	5.56¼-5.56½
Lisbon	6½	56.80-57.26	57.00-57.20
Madrid	†7	125.70-126.80	125.75-126.80
Milan	7	1.435-1.444	1.435-1.437
Oslo	5½	11.68-11.72	11.68-11.69

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £1—85½% (85⅝%)

NEW YORK

CANADA

GERMANY ♦

AMSTERDAM

AUSTRALIA

VIENNA

JOHANNESBURG

TOKYO ¶

PARIS

MILAN

STOCKHOLM

SWITZERLAND

BRUSSELS

SPAIN ♥

OSLO ♦

COPENHAGEN

FARMING AND RAW MATERIALS

Japan seeks aluminium plan delay

TOKYO, July 30.

JAPANESE ALUMINIUM smelters have asked Brazil for a delay in the $3,100m. joint project to produce alumina and aluminium in Brazil, according to Japanese industry sources, reports Reuter.

The request was made in talks in Brazil between the Government and a Japanese delegation from five smelters earlier this month. The Japanese side cited difficulties in raising funds necessary for the project, the sources said.

The Amazon aluminium project provides for a 1.3m. tonnes a year alumina plant and a 650,000 tonnes a year smelter in Belem by 1979.

The plant would take advantage of abundant hydro-electric power and bauxite resources in the Amazon area.

New hope for Hong Kong exchange

HONK KONG, July 30.

UNOFFICIAL Legislative Councillors who were originally against the proposed Hong Kong commodity exchange may refrain from opposing the idea if adequate measures to protect the general public are introduced, Councillor James Wu said here, reports Reuter.

Mr. Wu was speaking in the resumed debate on a motion seeking Legislative Council approval in principle to set up a commodity exchange here.

Debate on the motion was adjourned earlier this month after several unofficial councillors had objected to the exchange on the grounds that the economic benefits it might bring would be outweighed by its bad effects on the community.

Malta now free of foot and mouth disease

By Our Own Correspondent

MALTA, July 30.

ONLY TWO PER CENT. of Malta's livestock population was hit by foot and mouth disease during the recent outbreak. This was confirmed by the Agriculture Minister, Mr. Freddie Micallef, who told Parliament that the island was now disease-free.

The outbreak had been contained in less than four weeks since the first case was reported on June 5. In all 24 farms were hit.

Decline in grains as U.S. food price fears grow

BY PETER BULLEN

THERE WAS a sharp reversal on U.S. grain markets yesterday. After days of soaring prices, maize and soyabean values opened limit down in Chicago and wheat fell back sharply. U.K. grain markets also showed signs of weakening.

The fall in prices came despite the continued very hot, dry weather in U.S. grain growing regions and was linked to forecasts that some urgently needed rains could occur at the weekend.

At the same time there seems to be growing apprehension in the U.S. about the possible effects on domestic food prices of any further large grain sales to the Soviet Union.

In Washington yesterday, Representative John Heinz (Republican) introduced a Bill to restrict farm commodity exports to 20 per cent. of projected crops unless the Government certified larger sales would do no domestic harm, Reuter reports.

'This is the latest of many proposals by members of Congress in reaction to the grain sales to the Soviet Union.

Under the Heinz Bill, the Secretary of Commerce would have to issue a domestic price impact statement before sales beyond the 20 per cent. level could be approved, certifying the exports would neither raise consumer prices nor unemployment in the US

To-day the Senate permanent investigations sub-committee will ask Agriculture Secretary, Mr. Earl Butz, to testify on the impact of the current grain sales to the USSR.

This move follows the statement by Federal Reserve Board chairman, Mr. Arthur Burns, that the grain sales will mean higher food prices for U.S. consumers. Food prices could surge this year as they did after the big grain sales to Russia in 1972, he told the economic committee of Congress.

Grain prices had already risen significantly since the news of the Soviet purchases and U.S. sales may be "embarrassingly high" this year, he added.

He is the first member of the Ford Administration economic policy advisers to say the sales will affect U.S. food prices.

Other officials, including Mr. Earl Butz and Treasury Secretary Mr. William Simon, have said the sales will have at most a minimal effect on food prices.

Fears about the effects of the sales on food prices could lead to growing opposition to further big sales to the Soviet Union. In any case the USSR is not expected to try to place any more orders in the U.S. until the next U.S. Department of Agriculture crop report is published

Rise in wool demand predicted

SYDNEY, July 30.

ALTHOUGH PERSISTENT high inflation clouds the outlook, demand for wool should improve by late 1975, according to Mr. W. A. Williams, director of the National Wool Selling Brokers of Australia, reports Reuter.

He said it was difficult to forsee any sustained revival in demand until the world economic outlook improves, but added that, since stocks of raw and semi-manufactured wool in the main consuming countries are low, the impact of any revival in demand will be quickly felt.

"Order books have shown no improvement and are unlikely to until retail sales of clothing and carpet show a sustained increase," he said.

"Competition from man-made fibres will continue to influence wool textile activity. But man-made fibre producers' policy of curtailing production rather than of cutting selling prices may well strengthen the competitive position of wool."

Increased availability of wool in producing countries will curb the impact on prices of any improvement in demand, Mr. Williams said. Growing flock numbers and improved yields would give a further moderate boost to world wool production during 1975/76.

Though rising costs and falling prices had weakened incentives over the past year, there were few signs that wool production would resume its long-term downward trend. Steps could be taken in Australia to ensure a greater degree of stability in the market, Mr. Williams stated.

Japan, the key to the Australian wool market, was expected to continue buying strongly when sales resumed in three weeks time because its stock remained extremely low.

The Council said Japanese stocks remained relatively steady at a little over 300,000 bales since January, compared with a more normal level of about 500,000 bales. Substantial Japanese buying at Australian wool auctions since February was partly due to this.

Lower cotton crop likely

WASHINGTON, July 29.

WORLD COTTON production in 1974-75 reached 62.9m. bales, about 200,000 bales more than in 1973-74, according to the International Cotton Advisory Committee, reports Reuter.

But the committee, an intergovernmental organisation of producing and consuming countries, said prospects for the 1975-76 crop "are for a definite decline" tentatively in the range of 4m. to 5m. bales. It attributed the reduced productivity to adverse weather and reduced use of fertilisers in a number of major cotton-growing countries.

Escalating production costs and lower cotton prices than in 1974-75 had convinced a large number of farmers to shift from cotton to other crops, the committee said. But it noted cotton quotations had recently strengthened while a number of competing crops had shown price weakness.

Higher cotton supplies this season and sharply reduced consumption would push world cotton stocks on August 1 to around 29.5m. bales, some 4.5m. higher than on August 1, 1974.

World consumption in 1974-75 was estimated at 58.4m. bales, about 3m. below the previous season's level.

Peart talks 'encourage' poultry men

By Peter Bullen

LEADERS of the British Poulty Federation who met Mr. Fred Peart, the Minister of Agriculture, yesterday said later they felt encouraged that the Government was beginning to appreciate the industry's problems.

Although the federation did not repeat its call for a complete ban on imported French eggs, which they claim have undermined the U.K. market this year, they did stress the need for the U.K. to take a firm line in the EEC to ensure France does not break the spirit of the Treaty of Rome.

The federation also won Ministry backing for its application for aid under the Industry Act to help the poultry meat industry rationalise production and to conform to EEC directives.

Grant aid from the Government towards the estimated £6m. cost of the rationalisation plan would also help the industry's application for EEC Farm Fund (FEOGA) aid.

Mr. Peart is seeing leaders of the three U.K. farmers' unions this morning. They will be pressing him to take urgent action to stem the decline in Britain's milk industry which is threatening supplies of home produced dairy products and milk.

Brazil coffee pact stance unchanged

RIO DE JANEIRO, July 30

BRAZIL—WILL NOT alter its position regarding negotiations on the new international coffee agreement (ICA) because of the recent frost, reports Reuter.

The Brazilian Coffee Institute (IBC) said the Foreign Ministry and IBC president, Camillo Calazans, agree that an effective agreement should be able to control the market under varying conditions according to the world supply situation.

The IBC said Brazil wants to keep to the time-table for negotiations, which calls for a meeting of the International Coffee Council in London from October 27 to November 14.

Our Commodities Staff writes: Coffee prices closed lower on the London terminal market, with the September position losing £9 to £729.5 a tonne. In the absence of some firm indication of Brazil's intentions with regard to coffee marketing following the frost disaster dealers feel the current hesitant tone is likely to continue.

BURMA MINING

Striving to recover pre-War boom

BY OUR BURMA CORRESPONDENT

THE BURMESE Government has taken a number of steps to speed up the rehabilitation of the country's mining industry to its pre-war strength, in an effort to save foreign exchange through import substitution (such as eliminating petroleum imports) and also to expand foreign exchange earnings through bigger mineral exports.

It has accorded the industry third priority (next to agriculture and forestry) in the second four-year (1974-75 to 1977-78) economic plan, and allotted an investment of kyats 413m. (£30m.), of which kyats 352m. is to be spent in the current year 1975-76 (April-March).

It has fixed the industry's target growth for the present year at 30.4 per cent. over the base year 1973-74, compared to the 12.7 per cent. achieved in 1974-75. One of its objectives has been to expand oil output to secure self-sufficiency and also, if possible, to resume oil exports during the plan period.

Assistance

In addition to its own efforts, the Government has obtained assistance from abroad. From the United Nations Development Programme (UNDP), it has received a $6.5m. aid for the period 1974-78 for a variety of projects: geological survey and exploration, onshore and offshore tin and tungsten exploration, pre-investment drilling in selected areas, establishment of a minerals research centre, training of technical personnel and improvement of laboratory and library facilities.

From Canada, the Government has obtained assistance in the investigation of ore resources at the Yadana Theingi lead and silver mines in north-east Burma.

West Germany is now helping in feasibility studies for expanding production at Bawdwin lead and silver mines in the Shan State and at Hermingyi tin and tungsten mines in south Burma, in exploring Mogok area in north central Burma for gems, promoting limestone quarrying in various parts of the country, and expanding the activities of the Myanma Oil Corporation, Burma's state owned oil concern.

Japan is helping in offshore oil exploration and the copper mining project in the Monywa area of north Burma. And the U.K. is giving aid through the Colombo Plan in geological mapping and reconnaisance geochemical exploration of the Shan State.

Before World War II, mining stood second only to agriculture as Burma's main earner of foreign exchange. More than one-third of the country's annual foreign exchange income was derived from exports of petroleum (25 per cent.) and of pig-lead, zinc, tin, wolfram, antimony and gems (10 per cent.).

Ruined during the war, the industry has not yet recovered enough to attain its pre-war level of production. Its output has declined both in absolute terms and as a percentage of the gross domestic product: from 5.5 per cent. in 1938-39 to around 2 per cent. in 1974-75.

As a result, postwar Burma has become an importer of oil and is now importing about 1.6m. U.S. barrels of crude a year.

Monopoly

Several factors have inhibited a rapid revival of the industry so far. Before the war, the industry was the monopoly of private foreign firms, mostly British, and operated almost entirely by foreign managerial and technical personnel. With the progressive nationalisation of the industry since Burma attained independence after the war, foreign companies disappeared from the scene and with them their skilled manpower.

At the same time, old mines have become exhausted, while new mines have not been discovered quickly enough. Mining machinery and equipment have also become obsolete, while shortage of foreign exchange has made their replacement or modernisation difficult.

Added to all these is the lack of security, due to insurgency, in the countryside where most of the mines are situated. The Government, however, hopes that the several measures it is now taking will remove these constraints, if not overnight, at least in the near future.

EEC plan to ease jute import controls

BY REGINALD DALE, COMMON MARKET CORRESPONDENT

BRUSSELS, July 30.

THE EEC Commission to-day proposed that the Nine offer a better deal to jute exporters in India and Bangladesh by increasing the amounts of jute allowed into the Community at reduced tariffs, and progressively removing duties altogether.

The present jute agreements, under which the two countries have undertaken to limit their exports to the Community, expire at the end of the year.

In making its proposals for following years, the Commission stresses that imports are not to blame for the present difficulties of the Community jute industry.

The shrinking jute market in the EEC is partly the result of the economic recession, but is mainly due to the growing use of synthetic fibres as a substitute, the Commission says. It points out that both imports and Community production have been falling in recent years.

The Commission is recommending that import ceilings should be progressively increased and quotas distributed more flexibly between the Nine EEC members.

Tariffs on sensitive jute products, now between 40 and 50 per cent., should be brought down to zero by 1980, and tariffs on non-sensitive items should be abolished from the beginning of next year, it says.

JAPAN SYNTHETIC RUBBER STOCKS

TOKYO, July 30.

Japan's synthetic rubber stocks totalled 120,000 tonnes at the end of June, 10,000 tonnes lower than at the end of last year, and 25,000 below the end-June, 1974, figure, according to the Ministry of International Trade and Industry, reports Reuter.

COMMODITY MARKET REPORTS

BASE METALS

COPPER—An uneasy market on the London Metal Exchange encountered further profit-taking to begin with and then found prices recovering on short-covering and fresh speculative buying. In the afternoon, a lower opening on Comex signalled a fall in London prices which was later countered by the weakness of sterling. Prices closed virtually unchanged on balance after three months wirebars had traded between extremes of 606 and £596. Turnover 7,975 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	583.5	—1.5	581.5-2	+.5
3 months	603.5-4	—.5	601.2	+.25
Settlem'nt	583.5	—1.5	—	......
Cathodes				
Cash	572.5	+.75	570.1	+2.5
3 months	591.2	+1	589.90	+2
Settlem'nt	572.5	+.5	—	......
U.S. Smt.	—	......	*60-63.7	......

Amalgamated Metal Group reported that in the morning cash wirebars traded at £581.5, 83.5, 84, 83.5, three months, £600, 01, 02, 02.5, 03, 03.5, 04, 03.5, 03, 03.5. Cathodes, cash untraded. Three months £591, 92. Kerbs: Bars, three months, £605, 06, 05.5, 05. Cathodes, three months £594. Afternoon: Wirebars: Cash, untraded, three months, £97, 96, 96.5, 97, 97.5, 98, 98.5, 99, 98, 99, £600, 601, 02, 01.5, 01, 01.5. Cash, all untraded. Kerbs, Bars, three months £601, 02, 02.5, 03. Cathodes, untraded.

TIN—Prices reacted in London despite the fresh advance to over the $M1,000 level in Penang. It was thought here that the Eastern price had risen rather too quickly, leaving some over-bought positions in its wake. Hedge selling made itself felt here and cash prices closed with losses of £10 on the day. Turnover 1,055 tonnes.

Morning: Standard: Cash £3,163, three months, £3,200, £3,198, £3,190, £3,195, £3,190. High Grade: Untraded. Kerbs: Standard: Three months, £3,192, 90. High Grade: Untraded. Afternoon: Standard:

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	3160-3	—5	3158-60	—10
3 months	3190-2	—16.5	3186-90	—9.5
S'ment	3163	—5	—	......
Standard				
Cash	3160-3	—5	3158-60	—10
3 months	3190-2	—10.5	3186-90	—4.5
S'ment	3163	—5	—	......
Straits E.	$1085	+16	—	......
New York	—	......	321-323a	......

Cash, £3,155, three months, £3,190, 85, 82, 80, 82, 90, 85, 80, 84, 85, 86. High Grade: Untraded. Kerbs: Standard: Three months, £3,187, 90. High Grade: Untraded.

LEAD—Fractionally higher. Prices tended to soften in the afternoon but were later bolstered by the weakness of sterling. Turnover 5,450 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	173-.5	+2	172-.5	+.25
3 months	180.5-1	+2	179.75-80	+.75
S'ment	173.5	+2	—	......
N.Y. Spot	—	......	19-22½	......

Morning: Cash, £173, three months, £180, 79.5, 79, 79.5, 80, 80.5, 81. Kerbs: Three months, £181, 82, 81, 81.5. Afternoon: Cash, untraded, three months £180, 79, 79.5, 80. Kerbs: Three months, £181, 80.5.

ZINC—Rose sharply on an investment demand which appeared to be inspired by chart interpretations. Prices were also given a fillip by stop-loss buying orders. Turnover 6,725 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	328-.5	+4	329-.5	+5.5
3 months	337.5-8	+4.75	339-.5	+6.25
S'ment	328.5	+4	—	......
Prm. West	—	......	*38½-9	......

* Cents per pound. † On previous unofficial close. ‡ $M per picul.

Morning: Cash, £325, 26, 28, mid-Sept. £334, three months £334, 34.5, 36, 37, 38. Kerbs: Cash, £329, three months £337.5, 38, 39, 38, 38.5. Afternoon: Cash, £329.5, early Sept. £334, 35, three months, £338, 37, 38.5, 39, 40, 39.5, 39. Kerbs: Three months £341, 43, 44, 45, 44.

SILVER

Silver was fixed 0.4p an ounce higher for spot delivery in the London bullion market yesterday at 236.50p. U.S. cent equivalents of the fixing levels were: Spot 513.9c (513.4c), three-month 523.9c (523.0c), six-month 533.9c (533.3c), and 12-month 557.1c (556.4c). The market was quite active with the metal opening at 231.2-232.2p (503-506c), easing to 229-230p (498-501c) but rising during the afternoon to 230½-231½p (514½-517½c) to close at 232-233p (501½-504c).

SILVER per troy oz.	Bullion fixing prices	+ or —	L.M.E. close	+ or —
Spot	236.5p	+0.4	233.0p	—0.4
3 months	243.25p	+0.55	239.6p	—0.9
6 months	250.05p	+0.55	248.35p	—0.65
12 months	265.6p	+0.5	......	

LME—Turnover 214 (286) lots of 10,000 ozs. Morning: Three months 240.0, 40.5, 41.0, 41.5, 41.2, 41.3, 44.0, 44.5, 44.3, 44.5, 44.4, 44.3. Kerb: Three months 244.5, 44.7. Afternoon: Three months 239.5, 40.0, 40.2, 40.5, 40.7, 40.3, 40.0, 39.7, 39.8, 39.7. Kerb: Three months 239.5, 40.0, 40.9, 40.0, 40.2, 39.9.

COCOA

Prices were driven sharply higher during the late afternoon when modest buying interest found sellers reserved, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
No4 Contract			
July	617.5-25.0	+27.0	620.0-585.0
September	615.0-15.5	+25.5	617.0-588.0
December	589.0-90.0	+15.0	593.0-70.0
March	575.0-76.0	+7.0	579.5-52.0
May	573.0-74.0	+6.0	575.0-53.0
July	573.0-74.0	+8.0	577.0-68.5
September	568.0-70.0	—11.5	—

Sales: 1,977 (2,763) lots of 10 tonnes.

International Cocoa Agreement prices: Daily 55.27 (57.12) U.S. cents per pound. Indicator 15-day average 55.07 (54.63), 22-day average 52.29 (51.77).

COFFEE

Robusta futures again lacked a definite trend during afternoon dealings with prices easing around mid-session under Commission House selling but recovering later on mixed buying and covering orders. At the close values were £5 to £13 down o balance.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
July	720.0-40.0	—5.0	735.0
September	729.0-30.0	—9.0	729.0-29.0
November	732.0-3.0	—8.5	735.0-16.0
January	730.0-1.0	—13.0	735.0-20.0
March	732.0-4.0	—11.5	734.0-20.0
May	733.0-5.0	—11.5	735.0-20.0
July	735.0-7.0	—9.5	735.0-32.0

Sales: 837 (888) lots of 5 tonnes.

Latest published ICO indicator prices, U.S. cents a pound: Colombian Mild Arabicas 102.00. Other Mild Arabicas 82.00. Unwashed Arabicas Santos Fours unavailable. Robusta 76.75.

ARABICA CONTRACT (in order buyer, seller, sales) Aug. 87.90-88.00, 87.70, 1; Oct. 87.00-87.50, 87.30-87.00, 13; Dec. 89.00-89.20, 89.29-89.00, 4; Feb. 90.00-91.00, 91.00, 1; April 91.75-92.00, 92.50-91.75, 11; June 92.90-93.50, 93.70, 1; Aug. 93.00-95.00, 94.55, 1. Sales 32.

FREIGHTS

DRY CARGO—Chartering was on a reduced scale at virtually unchanged rates, mainly becaus of a lack of fresh inquiry in early positions. Grain cargoes were fixed from Chicago to Antwerp, Rotterdam or Amsterdam at $14 f.i.o., option Tilbury $14.75 and Seaforth $15 for spot loading and from U.S. Gulf to Venezuela at $12.50 f.i.o. for Aug. A cargo of pellets was covered from Great Lakes to Bangladesh at $33.59 f.i.o. for Aug. Overnight, a cargo of grain was booked from the River Plate to Ghent/Hamburg range at $16 free discharge for July/Aug. Miscellaneous chartering included ore from Lower Buchanan to Bakar at $3 17½ f.i.o. for Aug. and ore from Rio de Janeiro to Netherlands at $5.90 f.i.o. for Aug. also petroleum coke from Port Arthur to Rotterdam or Ghent at $4.40 f.i.o. prompt.

RUBBER

ABOUT UNCHANGED opening on the London physical market. Little throughout the day, closing quiet. Lewis and Peat reported a Malaysian godown price of 139 cents a kilo (buyer, August).

No. R.S.S.	Yesterday's close	Previous day's close	Business done
Sep.	58.25-57.25	58.10-57.35	—
Oct.	58.50-57.25	58.50-57.80	58.50
Oct.-Dec.	58.85-58.90	59.75-57.15	58.80
Jan.-Mr.	57.15-57.20	57.55-57.65	57.20-57.10
Ap-Jun.	57.90-57.95	58.10-58.15	57.95-57.75
Jy-Sept	58.75-58.85	59.00-59.05	58.80-58.60
Oct-Dec	59.55-59.65	59.70-59.80	59.60-59.45
Jan-Mr.	40.25-40.40	40.50-40.55	—
Ap-Jun.	40.50-40.90	40.50-41.00	40.70

Sales: 98 (129) lots of 15 tonnes.

Physical closing prices (buyers) were: Spot 35.5p (35p); Sept. 30.1p (29.85p); Oct. 30.75p (31.0p).

GRAINS

THE BALTIC—Business was quiet in all sections and prices tended to move off their recent high levels following easier opening markets in Chicago.

Wheat—U.S. Dark Northern Spring No. 2, 14 per cent., Aug. £90.75, Oct. £90.50 transhipment East Coast: EEC Milling Aug. £59.25, Sept. £60.25 sellers transhipment East Coast.

Maize—No. 3 Yellow American/French Aug. £63.75, Sept. £65.50, Oct. £66.50 transhipment East Coast: South African White Aug.-Sept. £69.50 Glasgow nom.: South African Yellow Aug.-Sept. £69.00 Glasgow seller.

Barley—EEC Feed Aug. £58.00, Sept. and Oct. £58.50 sellers transhipment East Coast.

MARK LANE—Consumer interest was light with business still on a hand-to-mouth basis, but the price structure held fully steady. Aug. deliveries of Hagberg 190 milling wheat traded into London at £59.75 per long ton and Sept. at £62.75. Denaturable wheat business included Sept. deliveries into East Anglia at £59.50 and Oct.-Dec. at £64 per long ton. Elsewhere, Oct.-Dec. new crop deliveries of feed barley traded to the Liverpool area at £64. Average sellers' quotations per long ton for delivery London area: Wheat Hagberg Aug. £60.25, Oct.-Dec. £66. Denaturable Sept. £59.50, Oct.-Dec. £62.50.

LONDON GRAIN FUTURES MARKET (GAFTA)—Wheat, easy. Close: Sept. 60.00, Nov. 62.85, Jan. 65.10, March 66.90, May 68.50. Business: Sept. 60.50-60.00, Nov. 63.60-62.80, Jan. 65.80-65.10, March 67.65-66.95, May 68.90-68.75. Barley, easy. Close: Sept. 58.40, Nov. 60.90, Jan. 63.15, March 65.00, May 66.50. Business: Sept. 58.15-58.40, Nov. 61.65-60.90, Jan. 63.80-63.15, March 65.50-65.25, May 66.95-66.75.

HGCA—Location ex-farm spot prices: Feeding barley—Banbury £53.00, Ormskirk £56.00.

EEC DAILY IMPORT LEVIES and premiums effective July 31 (in order: current levy, plus Aug., Sept. and Oct. premiums, with previous in brackets, in Units of Account per tonne): Soft wheat and mixed wheat and rye—21.41, rest nil (23.55, rest nil); Hard wheat—8.86, rest nil (10.73, nil, nil, 2.72); Rye—41.21, rest nil (42.10, nil, nil, 0.77); Barley—21.71, rest nil (25.83, rest nil); Oats—13.52, nil, nil, 0.31 (15.70, nil, nil, 0.77); Maize (other than hybrid for seeding)—8.25, nil, nil, 3.12 (8.09, 3.18, 3.18, 8.24); Buckwheat —8.50, nil, nil, 0.77 (11.46, nil, nil, 0.77); Millet—1.19, rest nil (4.49, rest nil); Grain sorghum—21.15, rest nil (23.72, nil, nil, 1.53). Levies for flours: Wheat or mixed wheat and rye flour—49.31 (52.81); Rye flour—77.05 (78.30).

SOYABEAN MEAL

	Yesterd'y Closes	+ or —	Business Done
	£ per tonne		
August	85.2-85.7	—2.1	84.5-83.7
October	85.6-85.8	—3.0	85.6
December	84.0-84.1	—5.5	87.5-84.0
February	84.8-85.2	—5.75	86.0-85.0
April	85.8-86.2	—5.5	—
June	86.8-87.2	—5.45	—
August	87.7-88.5	—5.65	90.2-90.1

Sales: 91 (164) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICES (raw sugar) higher at £215 (£210) a ton c.i.f. for July-Aug. shipment. White sugar daily price was fixed at £215 (£212.50) a ton.

The market eased over the morning and early afternoon, the decline was modest early on but it later became quite accentuated when prompted by arbitrage selling and nervous long liquidation. Near August expired quietly at the LDP; just prior to its expiry, 1,000 lots were posted "against actuals."

Sugar Pref. Comm. Con.	Yesterday's Close	Previous Day's Close	Business Done
	£ per ton		
Aug.	—	205.00-10.00	215.00-03.00
Oct.	182.00-82.50	198.75-98.00	201.00-182.0
Dec.	178.50-79.50	196.50-96.75	198.00-78.00
March	176.00-76.50	194.50-94.50	197.00-77.00
May	173.50-76.03	191.50-92.50	190.00-80.00
Aug.	174.00-74.50	191.00-92.00	188.00-79.00
Oct	175.00-74.00	191.00-92.00	186.00-78.00

Sales: 6,050 (5,651) lots of 50 tons.

Tate and Lyle ex-refinery price for granulated basis white sugar was £230 (same) a long ton for home trade and £300 (same) a long ton for export.

WOOL FUTURES

LONDON—Market dull.

(Pence per kilo)

Australian Greasy wool	Yesterd'y's close	+ or —	Business Done
July	158.0-65.0	—	—
October	160.0-65.0	—	—
December	164.0-69.0	—	—
March	171.0-75.0	+0.5	—
May	174.0-75.0	+0.75	—
July	176.0-79.5	+0.5	—
October	179.0-81.0	+0.5	—
December	183.0-88.0	+0.5	—

Sales: Nil (34) lots of 1,500 kilos.

SYDNEY GREASY (in order buyer, seller, business)—Oct. 249.8-250.0, 250.0-249.5; Dec. 255.0-255.5, 255.0-254.5; March 260.5-261.0, 261.0-260.0; May 262.0-263.0, 262.8-262.0; July 264.0-264.8, nil; Oct. 265.2-265.7, 266.0-265.0; Dec. 265.5-265.7, 265.5-265.0. Sales: 49.

MEAT/VEGETABLES

SMITHFIELD (pence per pound)—Beef: Scotch killed sides 28.0 to 32.0, Ulster hindquarters 38.0 to 39.0, forequarters 17.0 to 19.0, Eire hindquarters 35.0 to 38.0, forequarters 16.5 to 18.0.

Veal: English fats 36.0 to 40.0, top quality 44.0. English bobbies 9.0 to 11.0, Scotch bobbies 8.0 to 12.0. Dutch hinds and ends 54.0 to 58.0.

Lamb: English small 30.0 to 34.0, top quality 36.0, English medium 30.0 to 32.0, heavy 28.0 to 32.0, Scotch medium 30.0 to 33.0, heavy 28.0 to 29.0. Imported frozen: NZDs 26.0 to 29.5, 2s 28.0 to 29.0, 8s 27.0 to 28.0, YLs 26.5 to 27.0.

Ewes: 12.0 to 13.0.

Pork: English, under 100 lbs 27.0 to 32.0, 100-120 lbs 28.0 to 31.0, 120-160 lbs 26.0 to 30.0, 160-180 lbs 25.0 to 28.0, 180 lbs and over 23.0 to 26.0.

MEAT COMMISSION average fatstock prices at representative markets on July 30: U.K.—Cattle £17.85 per live cwt (+0.05), sheep 32.1p per pound e.d.c.w. (—1.4), pigs £4.16 per sc.l.w. (+0.01). England and Wales—Cattle numbers down 1.4 per cent., average price £18.26 (—0.13), sheep up 6.5, average 32.4p (—1.3), pigs down 19.9, average £4.15 (+0.01). Scotland —Cattle up 19.9, average £18.14 (+0.54), sheep up 15.2, average 29.9p (—0.8).

COVENT GARDEN (Prices, in sterling) —Imported Produce: Oranges—Brazilian: 2.00-2.30: South African: 2.50-2.90: Californian: 2.80-3.00. Grapefruit—South African: 3.00-4.30: Californian: 4.00-4.20. Lemons—Italian: 5.40-5.60: South African: 5.80-6.00. Apples—South African: Golden Delicious 6.00, Granny Smith 6.40: New Zealand: Granny Smith 6.40: Belgian: per 28 lbs 3.20: French: cartons Golden Delicious 20 lbs 3.30: Tasmanian: Democrats 6.00, Crofton 5.90, Sturmer 6.50: Western Australian: Granny Smith 6.30-6.40. Pears—Italian: Dr. Jules Guyer per pound 0.08-0.10: French: per 28 lbs 2.20. Bananas—Windward Islands: per 28 lbs 2.70: Jamaican: 3.60. Grapes—Cypriot: per 18 lbs Sultana 2.50-2.60: Italian: Regina Nietti approx. 10 lbs 2.00. Peaches—Italian: per 1½-trays 2.00-2.60. Plums—Spanish: Santa Rosa 1.60-2.60. Tomatoes—Guernsey: 1.40: Jersey: 1.40. Courgettes—Jersey: 1.00. Onions—Spanish: 3.30-3.60.

English Produce: Lettuce—Per 12 round 0.70, cos 0.80. Cucumbers—Per tray 12 1.40, 14 1.40, 16 1.30, 18 1.00. Potatoes—Per 56 lbs Cornish/Kent 2.60-3.00. Celery—Per 12 to 24 1.40. Peas—Per 36 lbs 3.60. Mushrooms—Per pound 0.20. Cabbages—Per bag, Primo 0.80. Marrows—Per 18 0.50. Cherries—Per pound Black 0.30, white 0.25. Cauliflowers—Per 12 1.00. Carrots—Per 28 lbs 0.70-0.90. Beetroot—Per 28 lbs 0.80. Tomatoes—Per 12 lbs 1.30-1.40. Runner Beans—Per pound 0.12-0.15. Onions—Per 56 lbs 3.00-3.20. Apples Per pound Grenadiers 0.08-0.10.

JUTE

LONDON—Quiet. Bangladesh White "C" grade July/Aug. £196. "D" grade July/Aug. £188 a long ton.

CALCUTTA—Steady. Indian July Rs.465. Dundee Daisee July Rs.420 values a bale of 400 lbs.

★

LIVERPOOL COTTON. Spot and shipment sales amounted to 343 tonnes, bringing the total for the week so far to 1,157 tonnes, reports F.W. Tattersall. Demand flourished under further pressure for supplies. A more active turnover developed in various American-type styles, including Turkish, Colombian and Russian qualities.

★

HIDES—London. Continuing weaker. Second clear ox 31.35-33.5 kilos 21p per kilo: 26-30.5 kilos withdrawn 21p; 22-25.5 kilos withdrawn 22.5p. Light cows 19.8p. No calf offered.

★

COPRA—Philippines Aug. to Oct. $265 resellers per tonne c.i.f. North European ports.

Indonesia to defer imports

JAKARTA, July 30.

THE INDONESIAN Government will defer imports of rice and fertilisers because of sufficient supplies at home, according to a Government spokesman here, reports Reuter.

The State Logistics Board (Bulod) has a stock of about 700,000 tonnes of rice and 500,000 tonnes of grain.

Last year's rice production reached 14.8m. tonnes, an increase of 400,000 tonnes over the previous year. Fertiliser stocks available last month totalled 1,372,302 tonnes while domestic demand was only half of that.

PRICE CHANGES

Prices per ton unless otherwise stated.

	July 30 1975	+ or —	Month ago
Metals			
Aluminium (x)	£396	......	£396
Free Market cif	£526-555	......	£505-515
Copper §			
Cash Wire Bars (x)	£581.75	+0.5	£566
3 month do. do. (x)	£601.5	+0.25	£574.75
Cash Cathode (x)	£570.5	+2.5	£544.5
3 months do. (x)	£589.5	+2.0	£563.25
Gold ...... Troy oz.	$167.0	—0.5	$165
Lead Cash (x)	£172.25	+0.25	£163.5
3 months (x)	£179.875	+0.75	£169.25
Nickel (x)	£1,958	......	£1,958
Free market cif (lb)	$1.76-.90	......	$1.85-.95
Platinum (troy oz.)	£79-83½	......	£72-78½
Free Market	£78.6	—0.5	£68.75
Quicksilver (76lb) ‡	$112-118	—1.0	$112-118
Silver Troy oz.	236.5p	+0.4	206.4p
3 months	243.25p	+0.55	211.8p
Tin Cash (x) §	£3,159	—10	£3,115
3 months (x)	£3,188	—4.5	£3,097.5
Wolfram 22.04lb. cif	$40-41.5	......	$37-38.5
Zinc Cash (x) §	£329.25	+5.5	£327.5
3 months (x)	£339.25	+6.25	£317.75
Producers (x)	$360	......	$360
Oils			
Coconut Malayan	‡	......	£160*
Groundnut			
Oil	‡	......	£327
Linseed Crude (x)	£427	+5	£435
Palm Malayan (z)	‡	......	‡
Soyabean (z)	‡	......	‡
Seeds			
Copra Philipp ton	$265v	—5	$255
Gr'nuts Nigerian	‡	......	‡
Linseed Can. No. 1	‡	......	‡
Grains			
Barley EEC	£59½	......	£52.5
Home Futures	£58.4	—0.95	£56.45
Maize			
French No.3 Am.	£63.75A	+1.25	£55.5
S.A. Yellow	£69.0A	—0.5	£65
Wheat			
No. 1 Red Spring	‡	......	‡
No.2Hard Winter	‡	......	‡
Australian (f.a.q.)	‡	......	‡
English Milling	£60.25A	......	£57
Cocoa Shipment (x)	£709.5	+25.0	£599.5
futures Sept. (x)	£615.25	+24.75	£507.75
Coffee Shipment (c)	‡	......	‡
futures Sept. (Ub)	£729.5	—9.0	£461.25
Cotton 'A' Index			
cent	54.8	+0.65	54.05
Jute LJABWC (d)	£195	......	£200
Rubber ...... kilo	35.5p	+0.5	31.75p
Sisal EA3L (x)	$600	......	$600*
Sugar (raw)	£215	+5	£150
Wooltops 64s ... kilo	186p	—2.0	190p
Cloves (Madagaska)	£2,550	......	£2,400
Pepper White ... ton	£892.5	—2.5	£870
Black ... ton	£690	—5.0	£655

* Nominal. † Seller. § Unofficial close. ♣ Indicative price. b U.K. and Commonwealth refined. c Uganda Robusta standard grade indicative prices f.o.b. Mombasa U.S. cents a pound. d Bangladesh white "C." ‡ Unquoted. a Seller's quotation. h August. k Aug.-Sept. u Metric tons. r September. v Aug.-Oct. s July-Aug. t Nov. q May-June. w Nov. Jan.

FINANCIAL TIMES

July 30	July 29	Month ago	Year ago
177.46	179.64	158.37	218.57

(Base: July 1, 1952=100)

REUTER'S

July 30	July 29	Month ago	Year ago
1151.2	1149.1	1069.4	1285.3

(Base: Sept. 18, 1931=100)

DOW JONES

Dow Jones	July 30	July 29	Month ago	Year ago
Spot	314.51	320.70	257.57	387.41
Futures	291.04	295.93	247.07	347.00

(Average 1924-25-26=100)

MOODY'S

Moody's	July 30	July 29	Month ago	Year ago
Spie Comm'ty	786.6	795.5	752.3	877.4

(Dec. 31, 1931=100)

GRIMSBY FISH—Supply fair, demand good. Prices per stone at ship's side unprocessed: Shelf cod £2.00-£2.40, codlings £1.70-£2.20, large haddock £2.90, medium £2.40, small £2.00, large plaice £3.60, medium £3.20, best small £2.80, large skinned dogfish £4.20, medium £3.60, coalfish 90p-95p, rockfish £1.00-£1.30, lemon soles £4.00, reds 80p-£1.00.

U.S. Markets

Sugar and grains close limit down

NEW YORK, July 30.

SILVER finished lower on continued Commission House profit-taking. Bache reports. Renewed trade selling pushed copper lower, while cocoa advanced in erratic trading conditions. Trade selling forced sugar limit down. Chicago grains closed limit down to sharply lower on commercial hedge selling which activated Commission House stops.

Cocoa—Ghana Spot 78 nom. (same). Bahia Spot 63 nom. (same). Sept. 56.40 (56.20). Dec. 54.03 (53.70). March 52.02. May 51.35. July 51.17. Sept. 50.82. Dec. 50.62. Sales: 1,499.

Coffee—Spot Santos No. 4 unquoted (same). Colombian Mams unquoted (same). "C" Contract: Sept. 83.45 (82.23). Nov. 81.25 bid (81.00). Dec. 80.20. March 80.25-80.40. May 81.40. July 81.60 bid. Sales: 562.

Copper—Aug. 58.20 (58.70). Sept. 58.50 (59.30). Oct. 59.00. Dec. 60.20. Jan. 60.50 settlements. Sales: 1,749.

Cotton—Oct. 49.60 (50.44). Dec. 49.55-49.95 (50.65). March 50.83. May 51.55-51.65. July 52.20-52.30. Oct. 52.60 bid. Dec. 52.90 bid. Sales: 1,850.

†Gold—Aug. 167.90 (167.70). Sept. 168.40 (169.20). Oct. 170.80. Dec. 173.50. Feb. 177.00. April 180.10. June 183.20. Aug. 186.30. Oct. 189.40. Dec. 192.30. Sales: 1,709.

Greasewool—Spot 142.5 nom. (same). Oct. 142.0-146.0 (142.0). Dec. 146.0 bid (146.0). March 146.0-150.0. May 146.0-152.5. July 146.0-152.5. Oct. 146.0 bid. Dec. 146.0 bid.

†Lard—Chicago loose 36 nom. (same). NY prime steam 35½ nom. (37½ nom.).

††Maize—Sept. 288½ asked (296½). Dec. 280 asked (290). March 284½ asked. May 290½ asked. July 292 asked.

‡Platinum—Oct. 172.90 (175.20). Jan. 177.30 asked (180.10). April 182.00 bid. July 186.20 asked. Oct. 190.20. Sales: 478.

‡‡Silver—Spot 502.50 (509.30). Aug. 497.70 (502.90). Sept. 501.60 (507.30). Oct. 506.00. Dec. 515.50. Jan. 520.00. March 526.50. May 537.10. July 545.20. Sept. 553.20. Dec. 565.30 settlements. Sales: 12,051.

*Soyabeans—Aug. 595½ asked (625½). Sept. 597 asked (627). Nov. 597½ asked. Jan. 605½ asked. March 614 asked. May 620 asked. July 624 asked. Aug. 624 asked.

bSoyabean Meal—Aug. 130.60 (137.60). Sept. 134.00 (141.10). Oct. 138.00. Dec. 143.00. Jan. 145.50. March 149.00-149.50.

Soyabean Oil—Aug. 28.37 asked (29.57). Sept. 27.03 asked (28.53). Oct. 25.95 asked. Dec. 24.79 asked. Jan. 24.55 asked. March 23.55 asked. May 23.47 asked. July 23.05-23.00. Aug. 22.77-22.90.

Sugar—Spot 17.25 (20.00). Sept. 18.09 asked (19.10). Oct. 17.54 asked (18.55). Jan. 17.90 asked. March 16.87 asked. May 16.78 asked. July 16.62 asked. Sept. 16.50 asked. Oct. 16.46 asked. Sales: 2,117.

Tin—321.0-325.0 nom (328.0-334.0 nom.).

**Wheat—Sept. 363½-365 (390½). Dec. 377½-380 (394). March 358-359½. May 292.

WINNIPEG, July 30. ††Rye—July 262 nom. (263). Oct. 257½ bid (267½). Dec. 254½ bid. May 262 nom.

cOats—July 168 bid (170 bid). Oct. 167 bid (170 asked). Dec. 162½ asked. May 160 nom.

‡Barley—July 255 bid (256). Oct. 250 (254½). Dec. 244½ asked. May 242 nom.

dFlaxseed—July 812 asked (842). Oct. 810 asked (840 asked). Nov. 797 asked. Dec. 785 asked. May 785 asked.

Wheat—SCWRS 13.5 per cent. protein content St. Lawrence 532½ (533).

All cents per pound ex-warehouse unless otherwise stated. *Cents per 60-lb bushel ex-warehouse. ⊕ $'s per troy ounce—100-ounce lots. † Chicago loose $'s per 100 lbs —Dept. of Ag. prices previous day. Prime steam f.o.b. NY bulk tank cars. ‡ Cents per troy ounce ex-warehouse. b New "B" contract in $'s a short ton for bulk lots of 100 short tons delivered f.o.b. cars Decatur and Illinois. ‡ $'s per troy ounce for 50-ounce units of 99.5 per cent. purity delivered NY. **Cents per 60-lb bushel in store. ††Cents per 56-lb bushel ex-warehouse, 5,000 bushel lots. c Cents per 24-lb bushel. ‡ Cents per 48-lb bushel ex-warehouse, 5,000 bushel lots. d Cents per 56-lb bushel, ex-warehouse, 1,000-bushel lots.

PERSONAL

CARPET CLEANING in-situ on site, 24-hr. service for business and industry. London and South East only. 01-584 0097.

LONDON UNIVERSITY HALL OF RESIDENCE. Enquiries invited for August and September and also for the CHRISTMAS VACATION 11th December to 4th January 1976 (with the exception of the Bank Holidays) for group reservations and residential conferences in large Hall of Residence. Groups of up to 400 can be accommodated in single, well furnished rooms. Pleasantly located, attractive facilities. Parking space, easy transport to central London. Favourable terms negotiable according to numbers and length of stay. Enquiries to Vacation Lettings Secretary, King's College Hall, 1 Champion Hill, London SE5 8AN. Tel. 01-733 2166.

PUBLIC NOTICES

BOROUGH OF WATFORD

£.65 million bills issued 29th July, 1975, due 28th October, 1975 @ 10⅛% p.a. Applications totalled £6.5 million. These are the only bills outstanding.

METROPOLITAN BOROUGH OF WIGAN

£.75 million bills issued 30th July, 1975, due 29th October, 1975 @ 10¼% p.a. Applications totalled £4½ million. Outstanding £3½ million.

LEGAL NOTICES

No. 002529 of 1975

In the HIGH COURT of JUSTICE Chancery Division Companies Court. In the Matter of ALFORD (CANFORD CLIFFS) Limited and in the Matter of The Companies Act, 1948

NOTICE IS HEREBY GIVEN that a Petition for the Winding-up of the above named Company by the High Court of Justice was on the 25th day of July 1975 presented to the said Court by Wadham Stringer (Bournemouth) Limited whose registered office is at Hambledon Road Waterlooville, Hampshire, PO7 7TY.

AND that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, WC2 2LL on the 6th day of October 1975 and any Creditor or Contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing in person or by his Counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any Creditor or Contributory of the said Company requiring such copy on payment of the regulated charge for the same.

NICHOLSON, GRAHAM & JONES of 19 21 Moorgate, London, EC2R 6AU. Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 3rd day of October 1975.

STOCK EXCHANGE REPORT

Quietly dull equities sensitive to adverse rumours

Index 3.3 down at 288.5—Gilt-edged and Golds lower

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
July 14	July 24	July 25	Aug. 5
July 28	Aug. 7	Aug. 8	Aug. 19
Aug. 11	Aug. 20	Aug. 21	Sep. 2

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Stock markets spent another dull session yesterday. The general lack of trade provided the sort of atmosphere in which idle gossip was quick to breed. Therefore, with official markings of 4,597, below 5,000 for nine out of the last ten trading days and roughly half the average earlier in the year, it was not surprising that broking failures figured on the rumour list. Wild talk of a substantial loss in Australia made its mark on MEPC, which ended 4 off at 73p, after 71p, for a two-day loss of 12, and generally brought dullness to other property issues.

Other market depressants included the continuing call on the market for fresh money by way of "rights" and the bearish views of some chartists. In the event, selling was fairly light and an "after-hours" rally left many leaders a penny or so off the worst. The F.T. 30-share index closed 3.3 down at 288.5, after having been 5.1 lower at 2 p.m. The F.T.-Actuaries All-Share index declined 1.6 per cent. to 125.56, and falls led rises in F.T.-quoted Industrials in the ratio of 3-1.

Funds easier

Gilt-edged encountered nervous selling, mainly on fears for sterling, and losses ranged to ½. The Government Securities index reacted 0.41 to 60.42. Gold shares ended above the day's worst in sympathy with a late recovery in bullion. The Gold Mines index, at 361.1, gave up 5.8 of the previous two-day rise of 20.6.

In the absence of any other trading influence, the market in British Funds turned its attention to sterling which, being easier, adversely affected sentiment. A fair amount of stock came on offer in the early business and, although the volume lessened considerably later, attempts to rally lacked real substance and the close was only fractionally off the day's lowest. Long-dated issues were finally ½ lower, after ¾, with the mediums generally ¼ down. Shorter maturities were also ¼ off after a relatively small trade. Corporations, however, staged a rally which extended to ¼ in places.

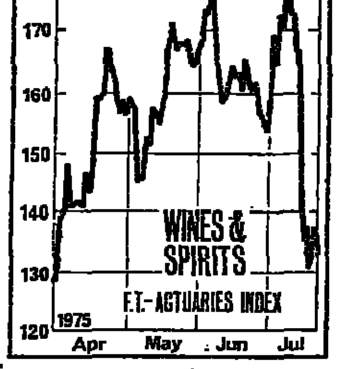
A small routine business in investment currency brought only minor fluctuations in the premium which, after easing to 84¾ per cent., picked up to close a net ½ down at 85½ per cent. Yesterday's S.E. conversion factor was 0.6473 (0.6489).

Overseas Banks dull

Foreign issues succumbed to the general dull trend. Concern for the company's Nigerian interests left Standard and Chartered 13 down at 445p while lower far-eastern advices prompted a fall of 12 to 197p in Hong Kong and Shanghai. Dealings were restored after only one day's suspension in Algemene Bank Nederland on the talks with Mees and Hope and, after opening at £94, the shares closed at £90. Very little interest was shown in the big four Banks which continued to cheapen. National Westminster fell 6 more to 192p, while Barclays receded 5 to 245p in front of to-day's interim results. Merchant banks were inclined easier with Guinness Peat shedding 6 to 132p.

Insurances cheapened throughout the list, mainly on lack of support. Commercial Union (interim due August 11) gave up 5 to 145p and Eagle Star receded 4 to 108p.

Among generally easier Breweries, J. W. Cameron contrasted with a rise of 2 to 124p; terms of the bid from Ellerman Lines, worth 125p per Cameron, came after the close of the market. Elsewhere, Distillers, at 112p, regained an earlier loss of 3, while Glenlivet, still on the interim results, improved 3 more to 143p.



A warning that the already severe depression in the industry is worsening brought fresh pressure to bear on Buildings which closed easier where changed. Taylor Woodrow reacted 6 to 240p, while R. Costain, 179p, and Ellis and Everard, 110p, lost 5 apiece. Tarmac eased 2 to 114p as did Geo. Wimpey, to 98p. Among smaller-priced issues, French Kier "A" and Lawdon lost a penny apiece at 6p and 5p respectively.

After touching 246p, ICI rallied to close 3 cheaper on the day at 250p.

Normand Elect. recede

Electrical leaders continued to drift easier in slack trading, EMI losing 5 to 166p and Thorn Electrical "A" 4 to 154p. GEC cheapened another 3 to 116p, but Philip's Lamp managed to harden 5 to 713p. Secondary issues were occasionally easier. Normand Electrical found the proposed "rights" offer hard to digest and receded 4 to 34p. Louis Newmark slipped 5 to 80p in a thin market. An isolated firm spot was provided by Ultra Electronic, which closed 2½ better at 30½p.

Leading Stores closed on a dull note following narrow fluctuations in quiet trading. Among secondary issues, Albion eased 2 to 18p on the discouraging statement which accompanied the interim figures. Small selling lowered I. D. and S. Rivlin 3½ to 18½p, while modest falls were marked against Currys, 55p, and Audiotronics, 32p. Among smaller-priced issues, Bolton Textile and Ramar Textile both closed a fraction easier at 9½p and 5½p respectively. Mail Orders also had an easier bias and, in Shoes, Church reacted 5 to 90p.

Dull features in Engineerings included Davy International, 6 lower at 82p, and Martonair, 8 down at 135p; the latter were a particularly sensitive market. Babcock and Wilcox gave up 4 at 93p and Hall Engineering lost 5 to 157p, but other losses were minimal. The offer for the shares not already owned by Astra Securities, unchanged at 12p, left Zinc Alloy Rust-Proofing up 2½ to 9½p. Senior improved ½ to 13p following a mid-week investment recommendation, but Edbro, 60p, S. W. Wood, 30p, and Tobenoil, 20p, were all a penny cheaper after news items. Leading issues were hardly varied at the close apart from Hawker which gave up 4 at 252p, after 248p. Shipbuildings eased in places, affected by the industry's order book situation which is the lowest since 1972.

Morgan Edwards featured Foods with a fall of 6 to 40p on the proposed "rights" issue. Tate and Lyle remained on offer, the Ordinary closing 2 easier at 185p, while the new nil-paid gave up 4 more at 3p premium. Unigate shed 2 to 41p as did Cavenham to 116p. Somportex failed to draw any encouragement from increased earnings, closing without alteration at 55p. Kraftco hardened ¾ to £28¾. Harry Vincent were unchanged at 65p to 75p; recent references to the price of the shares were incorrect.

Hotels and Caterers continued to lose ground, J. Lyons "A" giving up 6 at 116p.

De La Rue weaker

Miscellaneous Industrial leaders lost further ground in another thin business, before generally closing a little above the day's worst. Beecham ended 7 down at 270p, after 268p, despite the chairman's confident tone at the annual meeting. Glaxo, 340p, and Pilkington, 197p, sustained falls of about 9, while Metal Box receded 6 to 208p and the "new" nil-paid 5 to 1p premium. Reed International, a nervous market of late awaiting to-day's first-quarter report, closed 2 easier at 193p, after 190p. Reckitt and Colman were finally 5 off at 293p, after 287p. Elsewhere, De La Rue, a recent weak market, dipped 16 more to 142p on the first-quarter slump in profits. Powell Duffryn closed 6 down at 92p following the annual meeting, while a Press article further unsettled Fitzwilton, 4 off at 30p. Johnson Matthey came on offer and retreated 18 to 252p. Following an overnight rise to a fresh peak for the year of 61p, Cowan de Groot Ordinary and "A" both eased a penny to the common price of 60p. BTR made a bright showing at 122p, up 5, in response to the estimated advance in half-time profits and dividend forecast accompanying the "rights" offer news. Macarthys Pharmaceuticals closed similarly higher at 52p in reflection of the increased profits, while Dawson and Barfos, on fresh speculation on the bid talks, improved 4 to 37p.

After reacting late to 64½p on Tuesday, Central Manufacturing found fresh speculative support and improved 2½ to 67p awaiting news of the bid discussions with LCP. Newman Industries declined 3 to 27p following ratification of the proposed take-over of certain assets from Thomas Poole and Gladstone China, but the latter put on a penny to 4p.

Clayton Dewandre, at 48p, gave up 4 of the previous day's rise of 6 which followed news of the proposed "rights" issue and the interim figures. After being marked down to a nominal basis of 5p to 10p in order to establish a trading level, Airflow Streamlines attracted interest and closed 10 cheaper on balance at 23p following a reported statement from the joint managing director that the company is trading profitably and that there appeared to be no justification for the initial fall. Dowty shed a penny at 97p, while Lucas Industries, 98p, and Bluemel Bros., 28p, gave up 2 apiece.

Newspapers passed an uneventful session and often closed with minor losses. Associated, 86p, Pearson Longman, 77p, and Thomson, 155p, were all 2 off, while falls of a similar nature were sustained by some Paper/Printings.

MEPC lower

MEPC were at the centre of another dull day in Properties; to the accompaniment of several adverse rumours which included loose talk of £77m. losses in its Australian division, the shares retreated afresh to 71p, before picking up on "bear closing" to close 4 lower on balance at 73p. Land Securities finished 2 easier at 138p, after 136p, and English Property 3 cheaper at 44p. Town and City, after touching 14p, managed to close just a fraction easier on the day at 15p. Outside the leaders, Anston Holdings were a firm exception at 24p, up 2, despite the fall in profits. Hammerson "A" recorded a loss of 10 at 315p, while United Real Property, 165p, and Property Holdings and Investment 160p, both ended 5 off.

A continuation of the recent speculation about the former Burmah shareholding in British Petroleum initially put BP down to 470p, but at that level bear-covering together with cheap buying developed and a rally ensued which left the price only 5 down on balance at 478p. Despite the general tendency for concerns with Nigerian interests to recovery, Shell reacted further to 287p before a close of 289p, a net 4 lower. Ultramar gave up a similar amount at 170p, but Tricentrol improved 2 to 42p late on satisfaction with the first-quarter figures which were apparently better than some market expectations. Australians followed domestic market influences and Woodside-Burmah rose 4 to 76p, while International Oil gained a like sum to 37p.

Overseas Traders generally closed little changed. Paterson Zochonis, 340p, found support and recouped the previous day's fall of 40p which reflected concern over the Nigerian military coup. Harrisons and Crosfield, however, receded 25 to 825p.

Furness Withy featured dull Shippings, falling 11 more to 225p following a fresh bout of profit-taking. P & O Deferred cheapened a penny more to 81p on lack of support.

Trusts and Financials generally closed easier for choice after a small trade. Ahead of to-morrow's interim figures, Scottish United Investors gave up 4 to 66p, while similar losses were seen in English and Scottish, 105p, and Rothschild, 353p. Dalgety receded 6 to 183p. Following the agreed offer for the suspended Whinsparken Investments, 27p, Charterhall Finance closed a shade off at 53½p.

Press comment on the interim profits standstill saw "Bats" cheapen further to 284p before a late rally left the shares only a penny down on the day at 290p. Imps were unaltered at 63p, after 62p.

Small losses were once again in the majority in Textiles where Courtaulds eased 2 to 111p on lack of support. A dull market of late on fears of short-time working after the decision by Marks and Spencer to take substantial stock-cutting moves, Nottingham Manufacturing lost 3 more to 45p. John Beales shed a similar amount to 20p and Toray declined 5½ to 40p.

Small irregular price movements were the order of the day in quiet Plantations. Cessnock shed 5 to 180p and McLeod Russell 4 to 70p, while Warren hardened 3 to 75p.

Gold shares ease

Gold shares turned easier in line with the bullion price which fell to $166.20 at the morning fixing. No real weight of selling was reported in the share market, but a certain amount of U.S. profit-taking was seen and Johannesburg was prepared to offer stock for most of the day. The Gold Mines index closed 5.8 down at 361.1, while bullion was finally 50 cents lower on the day at $167 per ounce.

Vaal Reefs came back ½ to £29 while Venterspost lost 30 to 830p and "Sallies" were 20 off at 510p. Financials also lost ground with Rand Selection falling 15 to 950p and losses of 10 being seen in Gold Fields (237p) and Union Corporation (510p).

RTZ eased 5 to 170p on news of the severe setback in profits of the Lornex copper-molybdenum operation in British Columbia. In Diamonds, De Beers eased 3 to 306p and in an easier Platinum group, Potgietersrust came back 5 to 238p.

Australians were looking firmer, a trend which accompanied talk of a possible resignation of the Minister for Minerals and Energy there. Uranium stocks were notably firm, Pancontinental gaining 30 to 515p and Peko-Wallsend rising 15 to 275p. A sudden revival of speculative buying lifted Vultan Minerals 7 to 25p.

Tins were little changed, London Tin easing slightly to 155p following the meeting. In Coppers, Botswana RST eased to 88p on news of a labour strike at the Selebe-Pikwe property. Elsewhere, Consolidated Murchison gained another 10 to 690p.

FINANCIAL TIMES STOCK INDICES

—	July 30	July 29	July 28	July 25	July 24	July 23	A year ago
Government Secs.	60.42	60.83	61.09	60.49	60.23	60.07	55.59
Fixed Interest	60.67	60.76	60.81	60.52	60.34	60.26	55.39
Industrial Ordinary	288.5	291.8	294.5	286.7	285.4	288.5	236.4
Gold Mines	361.1	366.9	358.6	346.4	345.6	347.0	388.6
Ord. Div. Yld. %	7.10	7.01	6.94	7.03	7.10	7.00	8.54
Earnings Yld. % (full) (a)	20.51	20.24	20.04	20.43	20.63	20.35	22.29
P/E Ratio (net) (a) (b)	6.96	7.05	7.12	6.99	6.92	7.02	6.26
Dealings marked	4,597	4,733	4,864	4,794	4,783	5,493	6,796
Equity turnover £m.	—	41.30	37.66	44.79	62.56	67.78	44.08
Equity bargains total	—	11,820	11,629	13,681	12,856	13,017	11,210

10 a.m. 291.2. 11 a.m. 289.7. Noon 287.0. 1 p.m. 286.9. 2 p.m. 286.7. 3 p.m. 287.2.
Latest index 01-246 8026.
(a) Based on 52 per cent. corporation tax. (b) Nil=6.91.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. S.E. Activity July-Dec. 1942.

HIGHS AND LOWS

—	1975 High	1975 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	62.34 (30/5)	49.10 (6/1)	127.4 (9/1/35)	49.18 (6/1/75)
Fixed Int.	62.51 (21/5)	50.66 (6/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	365.5 (5/6)	146.0 (6/1)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	442.5 (22/5)	380.2 (20/1)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

—	July 30	July 29
Daily—		
Gilt-Edged	124.2	125.1
Industrials	150.7	165.0
Speculative	59.5	60.0
Totals	104.6	107.7
5-day Av'ge		
Gilt-Edged	129.6	135.1
Industrials	159.4	166.5
Speculative	52.7	49.9
Totals	108.2	112.3

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS — GROUPS & SUB-SECTIONS. Figures in parentheses show number of stocks per section.

	Groups & Sub-sections	Wed. July 30, 1975 Index No.	Day's Change %	Est. Earnings Yield % (Max.) Corp. Tax 52%	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (Net) Corp. Tax 52%	Est. P/E Ratio (Nil)	Tues. July 29 Index No.	Mon. July 28 Index No.	Friday July 25 Index No.	Thurs. July 24 Index No.	Year ago (approx.) Index No.	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (181)	106.05	−1.7	22.01	7.59	6.75	6.74	107.82	108.66	107.84	106.41	86.08	131.26	51.78	206.37	15.70
2	Building Materials (30)	89.10	−1.4	20.60	8.84	7.22	7.21	90.34	90.11	89.66	89.37	67.27	117.40	45.11	224.84	44.27
3	Contracting, Construction (23)	184.79	−1.5	19.56	4.99	7.69	7.59	187.59	187.77	187.89	187.71	142.84	251.61	74.74	389.53	71.48
4	Electricals (17)	200.98	−2.7	20.51	5.76	7.17	7.15	206.57	212.01	207.49	200.27	148.72	234.64	88.49	350.04	84.71
5	Engineering (Heavy) (13)	126.07	−3.0	27.89	8.46	5.47	5.47	129.94	131.08	131.22	130.59	99.00	159.79	64.39	206.57	64.39
6	Engineering (General) (65)	93.49	−0.9	23.27	8.74	6.35	6.35	94.36	94.59	94.26	95.01	72.81	117.40	45.43	168.59	45.43
7	Machine and Other Tools (9)	38.64	−0.4	18.22	10.66	9.97	9.97	38.48	38.47	37.95	37.23	31.32	48.68	20.11	136.70	19.96
8	Miscellaneous (23)	95.89	−1.8	25.44	8.07	5.87	5.87	97.67	98.15	98.20	99.34	80.64	121.76	49.65	177.41	49.65
9	CONSUMER GOODS (DURABLE) (59)	81.15	−1.0	24.52	7.56	5.96	5.96	81.98	82.11	80.92	80.38	71.42	95.15	38.59	227.78	38.59
10	Electronics, Radio TV etc. (15)	94.87	−1.0	21.58	5.59	6.92	6.91	95.83	95.80	94.71	93.54	82.87	108.34	44.38	287.41	42.85
11	Household Goods (15)	123.95	−0.8	33.32	8.17	4.38	4.38	126.21	125.58	125.22	125.92	117.04	146.90	64.53	263.22	63.92
12	Motors and Distributors (27)	42.49	−1.5	25.61	10.93	5.61	5.56	43.12	43.14	42.35	42.22	37.08	50.91	19.91	170.59	19.91
13	CONSUMER GOODS (NON-DURABLE) (167)	117.60	−1.7	17.08	7.15	8.39	8.39	119.62	120.17	118.75	117.58	92.82	146.45	61.98	236.08	61.41
14	Breweries (16)	129.95	−3.2	15.53	7.78	9.75	9.75	134.28	132.42	132.23	131.20	102.92	163.83	75.38	281.87	69.47
15	Wines and Spirits (7)	133.59	−2.5	14.55	7.56	10.37	10.37	136.79	136.96	133.13	131.34	122.54	177.94	80.42	337.40	78.88
16	Entertainment, Catering (16)	134.85	−2.4	16.44	8.25	9.07	9.07	138.15	139.07	136.67	134.42	94.74	158.44	55.38	329.38	54.83
17	Food Manufacturing (22)	128.53	−1.1	16.35	6.35	8.41	8.37	126.89	128.54	126.33	126.51	94.66	156.57	62.03	211.63	59.77
18	Food Retailing (16)	115.98	−1.5	15.60	5.54	10.72	10.72	117.74	118.06	115.36	114.51	83.03	149.17	57.15	333.08	54.25
19	Newspapers, Publishing (15)	117.65	−1.6	17.82	8.25	8.54	8.54	119.50	120.14	121.29	120.86	115.14	152.14	55.08	260.29	55.08
20	Packaging and Paper (13)	79.65	−1.6	27.72	9.25	5.29	5.30	80.98	82.45	81.78	81.28	70.99	107.13	43.46	135.69	43.46
21	Stores (30)	101.20	−1.4	14.25	6.46	10.67	10.67	102.59	102.56	101.38	99.99	78.15	128.39	52.63	205.09	52.63
22	Textiles (23)	119.32	−1.1	28.94	8.98	4.11	4.02	120.70	123.38	120.34	118.24	113.89	146.57	62.91	253.72	62.66
23	Tobacco (3)	175.62	−1.8	18.86	7.59	7.89	7.89	178.82	181.45	180.53	175.67	125.03	199.16	109.92	359.16	94.34
24	Toys and Games (6)	41.18	+1.2	31.77	8.79	4.32	4.32	40.71	40.41	40.79	41.00	37.57	49.93	21.46	135.72	20.92
	OTHER GROUPS (92)															
25	Chemicals (24)	157.32	−1.4	22.14	5.74	6.47	6.47	159.69	161.74	158.15	157.31	118.66	189.17	73.14	201.92	71.20
26	Office Equipment (10)	74.51	−1.0	19.29	6.39	7.16	7.16	75.25	76.20	74.74	73.55	84.57	104.78	45.34	178.20	45.34
27	Shipping (12)	320.84	−2.0	25.78	7.49	4.82	4.66	327.29	331.49	325.51	321.74	282.35	401.94	134.66	517.02	90.80
28	Miscellaneous (46)	120.21	−1.3	22.43	8.41	6.51	6.51	121.82	123.28	122.93	122.50	105.69	153.58	60.59	258.83	60.39
29	INDUSTRIAL GROUP (496)	116.22	−1.6	19.96	7.15	7.23	7.21	118.07	118.95	117.49	116.29	94.43	143.43	59.19	220.17	59.01
30	OILS (4)	263.01	−1.2	27.98	5.77	3.83	3.57	266.20	271.86	276.40	275.10	180.40	296.47	105.63	451.66	87.23
31	500 SHARE INDEX	128.41	−1.5	21.23	6.93	6.34	6.21	130.58	131.62	130.63	129.41	101.76	156.14	65.49	[illegible]	65.49
32	FINANCIAL GROUP (100)	114.13	−2.0	—	6.27	—	—	116.45	117.76	116.94	114.85	95.52	148.45	56.30	241.41	55.88
33	Banks (6)	131.76	−1.6	23.48	6.03	6.40	6.40	133.95	135.85	133.37	132.15	113.41	177.11	63.96	[illegible]	63.44
34	Discount Houses (9)	142.07	—	—	8.52	—	—	142.07	141.87	141.87	141.76	110.61	169.27	84.13	298.13	81.40
35	Hire Purchase (5)	89.92	+0.9	27.79	10.09	4.78	4.39	88.99	88.51	88.61	88.49	119.77	134.59	39.10	[illegible]	38.83
36	Insurance (Life) (9)	96.52	−2.4	—	7.10	—	—	98.89	100.12	99.38	97.91	77.07	127.97	44.88	194.46	44.88
37	Insurance (Composite) (7)	96.45	−1.8	—	6.65	—	—	98.19	98.66	98.37	94.43	68.23	123.90	44.47	155.76	43.96
38	Insurance (Brokers) (8)	184.14	−0.4	11.05	4.60	13.46	13.46	184.85	183.59	182.65	181.86	128.82	211.50	66.96	282.27	65.86
39	Merchant Banks (19)	77.46	−1.8	—	7.08	—	—	78.85	78.95	78.79	78.57	77.01	94.87	31.21	276.87	31.21
40	Property (32)	137.54	−3.8	5.38	4.36	27.25	26.32	142.96	147.15	147.34	145.53	132.66	241.22	56.01	357.40	56.01
41	Miscellaneous (5)	63.12	−0.8	17.93	10.51	8.22	8.14	63.65	63.79	63.79	65.86	69.65	[illegible]	[illegible]	[illegible]	33.29
42	Investment Trusts (50)	146.51	−2.1	3.39	4.30	29.54	29.52	149.42	149.08	148.71	148.59	113.95	176.53	73.43	245.79	71.63
43	ALL-SHARE INDEX (650)	125.56	−1.6	—	6.67	—	—	127.64	128.80	127.69	126.56	100.45	154.09	62.16	228.16	61.92
	COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44	Rubbers (10)	400.31	−0.6	14.18	8.22	10.29	10.17	402.65	402.22	404.48	403.15	316.19	426.43	281.66	555.37	84.68
45	Teas (10)	101.18	−0.2	35.85	10.23	3.89	3.71	101.01	100.58	100.45	100.45	85.57	104.15	76.78	121.97	59.72
46	Coppers (3)	363.73	—	55.99	20.76	1.85	1.85	363.73	359.17	354.60	354.50	413.61	467.74	349.52	567.78	94.08
47	Mining Finance (11)	122.54	−1.2	10.00	4.31	10.95	10.98	124.08	125.40	120.30	120.50	94.82	141.34	80.59	175.89	56.31
48	Tins (8)	90.63	−0.1	11.25	9.15	11.45	9.83	90.51	91.31	91.19	92.76	71.83	114.49	58.91	125.43	54.85
49	Overseas Traders (13)	203.57	−1.0	17.07	4.86	7.49	7.49	205.41	205.37	202.48	201.11	—	233.99	131.83	[illegible]	97.57

FIXED INTEREST

	Fixed Interest	Wed. July 30 Index No.	Day's change %	Tues. July 29	Monday July 28	Friday July 25	Thurs. July 24	Wed. July 23	Tuesday July 22	Monday July 21	Year ago (approx.)	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	—	13.92	13.82	13.72	13.69	13.99	14.08	13.96	13.87	15.43				
2	20-yr. Govt. Stocks (6)	50.59	[illegible]	50.86	51.18	50.39	50.04	49.80	50.24	50.52	47.22	53.09	38.27	115.42	38.27
3	20-yr. Red. Deb. & Loans (15)	47.35	[illegible]	47.77	47.91	48.01	48.10	47.67	48.05	48.07	44.60	50.69	37.01	113.45	37.01
4	Investment Trusts Prefs. (15)	47.15	[illegible]	47.30	46.60	46.99	46.51	46.30	46.25	41.57	49.60	36.55	114.41	[illegible]	[illegible]
5	Coml. and Indl. Prefs. (20)	67.79	[illegible]	67.67	66.92	66.62	66.66	66.02	66.70	65.94	57.25	67.79	48.15	114.95	47.67

Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value
Overseas Traders	31/12/74	100.00	Miscellaneous Financial	31/12/70	128.06
Engineering (Heavy)	31/12/71	153.84	Food Manufacturing	29/12/67	114.13
Engineering (General)	31/12/71	153.84	Food Retailing	29/12/67	114.13
Wines and Spirits	16/1/70	244.76	Insurance Brokers	29/12/67	96.67
Toys and Games	16/1/70	135.72	Mining Finance	29/12/67	100.00
Office Equipment	16/1/70	128.20	All Other	10/4/62	100.00
Industrial Group	31/12/70	128.20			

† Redemption yield. Calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an ICL 370 computer. A list of the constituents of the FT-Actuaries Share Indices is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p. By inland post 18p. FT-Actuaries indices are ... Commonwealth 18p, Foreign 22p.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1975 high	1975 low
ICI	£1	19	250	−3	302	118
BP	£1	10	478	−5	555	190
Courtaulds	25p	10	111	−2	140	53
Shell Transport	25p	10	289	−4	343	118
GEC	25p	9	116	−3	133	51
BTR	25p	8	122	+5	130	39½
"Bats"	25p	8	290	−1	338	164
EMI	50p	8	166	−5	200	62
Land Secs.	50p	8	138	−2	251	79½
Marks & Spencer	25p	8	94	−1	128	47½
Metal Box 'New'	Nil/pd.	8	1*	−5	28*	1*
Midland Bank	£1	8	230	−2	305	122
Tate & Lyle 'New'	Nil/pd.	8	3*	−4	21*	3*
Unilever	25p	8	324	−4	408	170
Distillers	50p	7	112	—	150	65½

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).

Option Report—3-month Call rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
July 22	Aug. 4	Oct. 16	Oct. 28
Aug. 5	Aug. 18	Oct. 30	Nov. 11
Aug. 19	Sep. 1	Nov. 11	Nov. 25

"Calls" were dealt in Glynwed, Rio Tinto-Zinc, F. W. Woolworth, Charterhall Finance, Cons. Gold Fields, Premier Oil, British-American Tobacco, Lesney, Lonrho, Barclays Bank, "Lags," BP, Babcock and Wilcox, Burmah Oil and Keyser Ullmann. No "puts" were reported, while "doubles" were arranged in Burmah Oil, Cons. Gold Fields, Charterhall Finance, Cavenham warrants, British-American Tobacco, Burmah Oil, Premier Oil, Reyrolle Parsons and National Carbonising.

Industrials							
A. P. Cement	20	Grand Met.	9	Slater Walker	15	Mines	
Assoc. Leisure	3	G.U.S. 'A'	20	Spillers	7	Anglo Amer.	80
Barclays Bank	35	Guardian	20	Tesco	6	Broken Hill Pty.	75
Beecham	28	G.K.N.	28	Thorn "A"	20	Charter Cons.	22
Boots Drug	24	Hawker Sidd.	30	Tube Invest.	30	Chart'h'll Fin.	8
Bowaters	30	House of Fraser	10	Unilever	40	Cons Gold	25
B.A.T.	35	Hudson (Wilms)	6	Utd. Drapery	12	De Beers Def.	25
British Leyland	1½	I.C.I.	24	Vickers	16	F. S. Geduld	350
British Oxygen	6	"Imps"	7	Woolworths	6	Great Boulder	12
Burton 'A'	9	I.C.L.	7			Hampton Areas	15
Cadburys	6	Inveresk	10	Property		Hampton Prop.	4
Courtaulds	14	Legal & General	17	Cap. Counties	7	Kloof	140
Debenhams	11	Lloyds Bank	30	E.P.	11	Lonrho	13
Distillers	15	"Lofs"	7	Int. Europe	7	Lorraine	55
Dunlop	6	"Mams"	9	Land Securities	22	Metals Explor.	8
Eagle Star	16	Marks & Sp'ncer	13	Peachey	7	Poseidon	55
E.M.I.	20	Midland Bank	32	Town & City	6	Pres. Steyn	275
First National	5	Nat'l West Bank	30	Town & Comm.	7	Rio T. Zinc	20
G.R.A. Trust	7	P & O Dfd.	16			Welkom	55
Gen. Accident	16	Plessey	10	Oils		West Areas	75
Gen. Electric	14	R.H.M.	7	Brit. Petroleum	46	Western M'ng	15
Glaxo	40	Rank Org. 'A'	25	Burmah Oil	6	Zambia Copp.	10
		Reed Int'l	28	Shell	50		
				Ultramar	21		

NEW "HIGHS" AND "LOWS" FOR 1975

The following securities (numbers in parentheses) among those quoted in the Share Information Service yesterday attained new highs and lows for 1975.

NEW HIGHS (5)
COMMONWEALTH AND AFRICAN LOANS (2)
E. Africa 5¾pc '77-83 — Jamaica 7pc '76-78
ELECTRICALS (1)
Ultra Electronic
INDUSTRIALS (1)
Silentbloc
MINES (1)
Vultan Mining

NEW LOWS (8)
DRAPERY AND STORES (1)
Rivlin (I. D. and S.)
HOTELS (1)
CCH Invests.
INDUSTRIALS (3)
Cosalt — Crowther (W.)
Fitzwilton
SHIPBUILDING (1)
Swan Hunter
TEXTILES (2)
Beales (J.) — Wood Bastow

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	1	41	11
Corpns. Dominion and Foreign Bonds	22	4	45
Industrials	127	420	1,287
Financial and Prop.	33	264	318
Oils	7	18	15
Plantations	4	4	40
Mines	15	65	73
Recent Issues	9	26	41
Totals	218	834	1,742

STAMPS BEAT INFLATION

Stanley Gibbons British Commonwealth catalogue of stamps, to be published on August 15 at £5.50, makes clear the extent to which prices for early British and Commonwealth stamps have soared.

Victorian line-engraved issues have risen approximately 38 per cent. over the last year for unused copies, and by 56 per cent. for used. Later Victorian surface-printed stamps have increased 73 per cent. and 49 per cent. respectively.

BASE LENDING RATES

AFI International	9½%
Allied Irish Banks Ltd.	9½%
Anglo-Portuguese Bank	10 %
Henry Ansbacher	10½%
Banco de Bilbao	9½%
Banco de Jerez	10½%
Bank of Cyprus	‡10 %
Banque du Rhone S.A.	10 %
Barclays Bank	9½%
Barnett, Christie Ltd.	11 %
Bremar Holdings Ltd.	10½%
Brit. Bank of Mid. East	9½%
■ Brown Shipley	10 %
Cayzer, Bowater Co. Ltd.	10½%
Cedar Holdings	10 %
■ Charterhouse Japhet	10 %
C. E. Coates	10½%
Consolidated Credits	12 %
Continental Trade Bk.	9½%
Co-operative Bank	* 9½%
Copleys Bank	11½%
Corinthian Securities	9½%
Credit Lyonnais	9½%
G. R. Dawes	10½%
Duboff Brothers	11½%
Duncan Lawrie	10½%
English Transcont.	11½%
First London Secs.	9½%
■ Antony Gibbs	10 %
Goode Durrant Trust	10 %
Greyhound Guaranty	9½%
Grindlays Bank	10 %
■ Guinness Mahon	9½%
■ Hambros Bank	9½%
Hawtin & Partners	13 %
■ Hill Samuel	§10 %
C. Hoare & Co.	† 9½%
Julian S. Hodge	10½%
Industrial Bank of Scot.	9½%
Jacobs, Kroll	11½%
Keyser Ullmann	10½%
Knowsley & Co. Ltd.	11½%
Lloyds Bank	9½%
London & European	11½%
London Mercantile	11½%
Midland Bank	9½%
■ Samuel Montagu	9½%
■ Morgan Grenfell	9½%
National Westminster	9½%
Northern Comm. Trust	10½%
Norwich General Trust	10 %
Portman Guaranty	11 %
P. S. Refson & Co.	9½%
Rossminster Accept'cs.	9½%
Royal Trust of Canada	10½%
Schlesinger Limited	10½%
E. S. Schwab	11½%
Security Trust Co. Ltd.	11 %
Shenley Trust	11½%
Standard & Chartered	9½%
Sterling Credit	12 %
Stewart Salmon & Co.	9½%
Thames Guaranty	11 %
Trade Dvlopmnt. Bk.	9½%
Twentieth Century Bk.	11½%
United Bank of Kuwait	9½%
Wallace Brothers Bank	10½%
Whiteaway Laidlaw	10 %
Williams and Glyn's	9½%
Yorkshire Bank	9½%

■ Members of the Accepting Houses Committee.
* 7-day deposits 6½%, 1-month deposit 6½%.
† 7-day deposits on sums of £10,000 and under 6½%, up to £25,000 6¾% and over £25,000 7½%.
‡ Deposit Base Rate 9½%.
§ Demand deposit 7½%.

I.G. INDEX
GOLD 167-170

CORAL INDEX
Close 284-289

INSURANCE BASE RATES

† Atlantic Assurance ... 11½%
Cannon Assurance ... 8½%
† Address shown under Insurance and Property Bond table.

MONEY MARKET

Small shortage

Bank of England Minimum Lending Rate 11 per cent. (since July 25, 1975)

Day-to-day credit was in slightly short supply in the London money market yesterday and the authorities gave a small amount of help by buying Treasury bills and Local Authority bills. Working in favour of the market, Government disbursements exceeded revenue transfers to the Exchequer although not as much as had been expected, and there was a fall in the note circulation. These were offset by: run down bank balances from the previous day, a net take-up of Treasury bills, Local Authority bill maturities, and gilt-edged sales.

Discount houses paid around 9½-9¾ per cent. for secured call loans at the start and at the close rates were around 9½-10¼ per cent. In the inter-bank market overnight loans started around 10-10¼ per cent. and rose sharply throughout the day to close around 15 per cent. touching 20 per cent. in places.

Short-term interest rates were quietly firmer with the one-month sterling certificate yield edging forward to 10⅛-10⅜ per cent. from 10⅛-10¼ per cent., the six-month 10⅞-10¾ per cent. from 10⅝-10⅞ per cent., and the one-year 11-10⅞ per cent. against 10⅞-10¾ per cent.

Rates in the table below are nominal in some cases.

July 30 1975	Sterling Certificates of deposit	Interbank	Local Authority deposits*	Local Auth. negotiable bonds	Finance house deposit	Company deposits	Discount market deposits	Treasury bills ♦	Bank bills ♦	Fine trade bills ♦
Overnight	—	10-20	—	—	—	10-10½	9½-10½	—	—	—
2 days notice	—	—	10¼-10½	—	—	—	—	—	—	—
7 days or 2 days notice	—	—	—	—	—	—	—	—	—	—
Seven days notice	—	10-10¼	10¼-10½	—	—	—	—	—	—	—
One month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	10¾-11
Two months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	10¾-11
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	10¾-11
Six months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—	[illegible]	[illegible]	11-11¼
Nine months	[illegible]	[illegible]	[illegible]	[illegible]	—	—	—	—	—	—
One year	[illegible]	[illegible]	[illegible]	[illegible]	—	—	—	—	—	—
Two years	—	—	11¼-12¼	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. * Long-term local authority mortgage rate nominally three years 12-12½ per cent.; four years 12½-13 per cent.; five years 13-13¼ per cent. ♦ Bank bill rates in table are buying rates for prime paper; buying rates four-month bank bills 10½-10⅝ per cent.; four-month trade bills 11-11½ per cent. Approximate selling rates for one-month Treasury bills 10⅛-10¼ per cent.; two-month 10¼ per cent.; three-month 10¼-10⅜ per cent. Approximate selling rate for one-month bank bills 10¼-10⅜ per cent.; two-month 10⅜-10½ per cent.; and three-month 10½ per cent.; one-month trade bills 10¾ per cent.; two-month 10¾ per cent.; three-month 11 per cent. Finance House Base Rate (published by the Finance Houses Association): 10½ per cent. from July 1. Clearing Bank Deposit Rates for small sums at seven days' notice 6½ per cent. Clearing Banks Base Rates for lending 9½ per cent. Treasury Bills: Average tender rate of discount 10.4407 per cent.

AUTHORISED UNIT TRUSTS

REGIONAL MARKETS

Following the merger last year of U.K. stock exchanges, a selection of the share prices previously shown under regional headings is presented below with quotations on London. Irish issues, most of which are not officially listed in London, are shown separately and with prices as on the Irish exchange.

Albany Inv. 20p	14	......	Graig Ship £1.	410	......	Shiloh Spinn...	23	......
Ash Spinning...	36	......	Hallam Sleigh 10p	6½	......	Sindall (Wm.)...	43	......
Bertam	16½	......	Higsons Brew...	83	......			
Brady (G.) 'A' ...	45	......	I.O.M. Stm. £1 ...	120	......	**IRISH**		
Bdg'wtr. Est. 50p	103	−2	Holt (Jos.) 25p...	185	......			
Clover Croft...	35	......	Kleen-e-Ze ...	24	......	Alliance Gas (£1)	50	......
Craig & Rose £1...	310	......	Lowell's Ship £1.	130	......	Carroll (P.J.)...	109	......
Dyson (R.A.) ...	30	......	N'thn. Goldsmith	90	......	Clondalkin ...	52	......
Ellis & McHdy ...	54	−3	P.M.A. ...	36	......	Concrete Prods.	60	......
Evans F'r'k.10p.	36	......	Pearce (C.H.) ...	60	......	Goodbody (£1) ...	38	......
Evered...	14	......	Peel Mills ...	16	......	Heiton (Hldgs.)	30	......
Fife Forge...	47	......	Richards 10p ...	7½	......	Irish Distillers.	62	−1
Finlay Pkg. 5p	36	......	RobbCaledon5p.	28	......	Irish Wire ...	40	......
Frost & Reed 50p	85	......	Sayers 12½p. ...	6	......	Jacob ...	50	......
Gardiner & Sons	11	......	Sheffield Brick...	68	......	Sunbeam ...	8	−1
Gardner (L.J.) ...	62	−1	Sheff. Refrshmt.	142	......	Unidare ...	65	......

LEADERS AND LAGGARDS

The following table shows the percentage changes* which have taken place since December 31 1974 in the principal equity sections of the F.T.-Actuaries Share Indices. It also contains the F.T. Gold Mines Index.

Insurance (Brokers)	+149.84	Industrial Group	+ 85.21
Contracting and Construction	+130.51	Motors and Distributors	+ 84.67
Oil	+125.33	Stores	+ 81.74
Entertainment and Catering	+123.51	Consumer Goods (Non-Durable) Group	+ 80.10
Merchant Banks, Issuing Houses	+123.37	Textiles	+ 79.53
Insurance (Composite)	+104.48	Machine Tools	+ 77.33
Insurance (Life)	+103.94	Toys and Games	+ 76.77
Chemicals	+102.86	Packaging and Paper	+ 69.08
Electronic, Radio and TV	+101.62	Breweries	+ 64.76
Newspapers and Publishing	+ 97.85	Discount Houses	+ 63.66
Electricals	+ 95.86	Wines and Spirits	+ 61.27
Investment Trusts	+ 95.65	Office Equipment	+ 56.67
Food Retailing	+ 94.77	Shipping	+ 52.55
Food Manufacturing	+ 94.62	Tins	+ 49.78
Capital Goods Group	+ 94.52	Tobacco	+ 49.75
Consumer Goods (Durable) Grp.	+ 93.32	Property	+ 44.92
Banks	+ 94.21	Mining Finance	+ 40.76
Engineering (General)	+ 93.60	Rubbers	+ 39.99
Hire Purchase	+ 91.29	Teas	+ 30.08
Engineering (Heavy)	+ 91.10	Gold Mines F.T.	+ 3.79
All-Share Index	+ 90.62	Coppers	− 4.86
500-Share Index	+ 90.61		
Financial Group	+ 90.05		
Household Goods	+ 89.59		
Building Materials	+ 86.34		

* Percentage changes based on Tuesday, July 29, 1975 indices.

INSURANCE, PROPERTY, BONDS

OFFSHORE AND OVERSEAS FUNDS

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

**INTERNATIONAL BANK

**CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS (Miscel.)

FOREIGN BONDS & RAILS

U.S. $ DM Prices exclude inv. $ premium

AMERICANS

S.E. List Premium [illegible]

CANADIANS

S.E. List Premium [illegible]

Conversion factor [illegible]

††BANKS AND HIRE PURCHASE

1975 High	1975 Low	Stock	Price	+ or –	Div Net	Cvr	Y'ld Gr's	P/E
22	12	AldermanSer 10p	17	......	1.34	2.1	12.1	5.4
235	135	Alexanders D. £1	188	......	‡11.66	—	9.5	—
£114	£67	Algemene Fl.100	£90	–4	Qb20%	1.8	3.8	19.6
400	190	Allen Harvey £1	300	......	13.5	—	6.9	—
142	45	Allied Irish	112	–2	Q25%	—	5.6	—
62	14	Anglo Contnl	59	......	—	—	—	—
185	95	Arbuthnot L. £1	160	......	7.61	—	7.6	—
430	170	Aust. & N.Z. $1	350	–3	†9.09	—	4.0	—
£57	£21¼	Bank Amer $1.125	£30¼	–¼	Q$1.48	—	2.1	—
40	22½	Bk. Hapoalim I£1	40	......	Qs8.5%	—	1.7	—
346½	120	Bk. Ireland £1	305	–5	Qh16%	—	5.2	—
£150	£66	Do 10pc Conv. 91/96	£132	......	Q10%	—	†7.8	—
23	18½	Bk. Leumi AI£1	22	......	Q16%	—	5.3	—
230	130	Bk. Leumi (UK) £1	220	......	7.25	—	5.2	—
720	370	Bk. N.S.W. $A2	555	–5	Q28c	—	2.9	—
295	104	Bank Scotland £1	225	–5	8.31	3.8	5.7	7.1
£71¾	£20⅝	Bankers N.Y. $10	£26	+¼	Q$3.00	—	4.0	—
325	112	Barclays £1	245	–5	8.29	4.7	5.2	5.9
73	19	Bates (Edward)	48	......	±5.0	2.1	‡	4.5
68	18	Bowring (C.T.)	53	–2	2.11	1.2	6.1	20.4
175	75	Brown Shipley £1	175	......	6.94	—	5.9	—
24	14	Burston Group	18	......	3.31	2.4	28.3	2.2
265	110	Cater Ryder £1	215	......	14.40	—	10.3	—
13	13	Cedar Hldgs. 20p	13#	......	±1.4	1.5	‡	6.1
•255	149	Com'l Aus. ($A1)	210	–5	Q14%	—	3.6	—
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER & ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

ENGINEERING—Cont.

FOOD, GROCERIES, ETC.

HOTELS & CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

هكذا من الأصل

INDUSTRIALS—Continued

INSURANCE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPBUILDERS, REPAIRERS

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

TRUSTS—Continued

Finance, Land, Etc.

OILS

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

CENTRAL RAND

EASTERN RAND

FAR WEST RAND

O.F.S.

FINANCE

DIAMOND AND PLATINUM

CENTRAL AFRICAN

AUSTRALIAN

TINS

1975 High	Low	Stock	Price	+ or -	Div Net	Cvr	Y'ld Gr's
220	93	Malay Dredging	164	......	g43.9	1.6	10.3
49	27	ΔPahang	39	-1	Ka12½	1.5	8.3
65	44	Pengkalen 10p	50	......	7.0	1.0	21.5
97	75	Petaling SM1	96	......	—	—	—
23	8	Saint Piran	14	......	0.63	3.5	7.2
135	68	South Kinta (10p)	107	......	†8.25	0.9	11.9
180	73	Sthn. Malayan	123	......	g43.9	1.6	13.7
83	47	Sungei Besi 20p	60	......	30	ϕ	15.4
43	33	Sungei Way SM1	35	......	ZQ10	—	5.0
84	48	Tanjong 15p	57xd	......	4.35	2.3	11.7
75	51	Tongkah Hb SM1	51	......	‡Q30	1.3	‡
93	42	Tronoh	62	......	4.02	3.5	10.0

COPPER

1975 High	Low	Stock	Price	+ or -	Div Net	Cvr	Y'ld Gr's
112	56	Botswana RST R2	88	-2	—	—	—
390	196	Messina R0.50	330	......	‡Q60c	2.9	‡

MISCELLANEOUS

1975 High	Low	Stock	Price	+ or -	Div Net	Cvr	Y'ld Gr's
8½	3	Burma Mine 17½p	8	......	m0.5	—	1.7
65	17	Charterhall 5p	53½	-½	—	—	—
115	75	Colby Mines $1	75#	......	—	—	—
760	360	Cons. Murch. 10c	690	+10	‡Q130c	2.2	‡
53½	29½	Laurasia	42½	......	—	—	—
19	11	NRD $1	11	......	—	—	—
375	200	Northgate C$1	275	......	Q65c	1.0	10.2
211	80	R.T.Z.	170	-5	19.9	4.4	4.5
135	47½	Sabina Inds. C$1	73	......	—	—	—
81	51	Stanford Mines ‖	69	-1	—	—	—
£12½	875	Tara Expln. $1	£10¼	-⅛	—	—	—
78	38	Yukon Cons C$1	65	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- A Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ϕ Figures or report awaited.
- †† Banks and Insurance: reserve allocations may preclude calculation of dividend cover.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ‡ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Based on 1973 profits.
- ¶ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♣ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. M Figures based on prospectus or other official estimates for 1974-75. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 18

FINANCIAL TIMES

Thursday July 31 1975

Go-ahead for 20% gas price increases

BY ADRIAN HAMILTON

THE GAS CORPORATION has been given clearance to raise tariff prices by an average of 20 per cent. from October 1 but hopes to be able to avoid further rises for at least a year after this.

At the same time, however, it has come under considerable criticism from MPs for settling fixed price contracts with customers such as ICI.

The losses on these contracts, compared to what the corporation could get under current market conditions, amount to some £180m a year, of which half is attributable to the major 15-year gas contract with ICI signed six years ago. Mr. Anthony Wedgwood Benn, Energy Secretary, told a Commons Committee yesterday.

The industry's latest price increase, which follows a £42.3m. loss recorded by the corporation in the last financial year 1974-75, is expected to bring in an additional £120m. of revenue to the industry this year and some £250m. in a full year.

Commenting on the corporation's annual results yesterday, however, Sir Arthur Hetherington, the corporation's chairman, said that he strongly hoped that the new prices could be maintained for "at least a year, provided that the attack on inflation succeeds."

The increase, he said, should be enough to prevent the industry suffering a further loss during the current financial year and could enable it to make a small profit.

As in the case of the last rise introduced at the beginning of the year, it has been structured to favour small consumers of gas and to bear most heavily on commercial and large domestic consumers.

Prices for customers using gas primarily for cooking and hot water may find their prices only rising a few per cent. Commercial customers and those on "gold star" central heating tariffs, on the other hand, will suffer rises averaging some 22 per cent. and in some cases going as high as 28 per cent.

The rise, which will take effect following the first meter reading after October 1, came under immediate fire from the National Gas Consumers Council, although it has appeared more acceptable, at least in its relative weighting towards larger commercial and domestic heating users, to the Government.

STATE INDUSTRIES RESULTS

1974-75

	Turnover £m.	Pre-tax profit (loss) £m.
British Steel	2,256	89
National Coal Board	1,590	(2.4)
Electricity Council	2,656	(2.58)
British Gas	1,204	(42)
Post Office	773	(307)
British Rail†	915	(158*)

* After crediting £154m. in grants
† Calendar year

The political row brewing up over the low price being paid for gas by ICI and some other large users of gas, on the other hand, appears to be causing considerably more irritation in the industry/Government relationship.

Closely questioned on the subject by MPs in the nationalised industry sub-committee yesterday, Mr. Benn revealed that ICI was paying only £20m. a year for gas supplies under a 15-year contract compared to around £110m. a year it would have to pay if it bought the gas to-day. The total shortfall by the industry on such contracts amounted to around £180m.

While this aroused the immediate wrath of Mr. Mike Thomas and other MPs present, it also aroused an equally strong retort from the corporation.

The contract with ICI, the corporation declared, was a legally binding one; it had proved profitable for the industry: it had been signed at a time when competitive energy prices were low and the industry, diverted from selling to power stations, badly needed to establish a "base load" for its gas supplies and it was for gas to be used as feedstock—a situation in which the corporation had no prior rights as purchaser.

It was also signed against a background of 25-year fixed price contracts with the oil companies, which were saving the industry more than £600m. a year compared to current gas costs.

Details, Page 8

Gowon's safety guaranteed by Nigerian leader

BY BRIDGET BLOOM, AFRICA CORRESPONDENT

IN HIS broadcast as Nigeria's new Head of State, Brigadier Mohammed Murtala said last night that the deposed General Gowon—who in Kampala yesterday accepted the new regime—would be free to return to Nigeria with his family. But he roundly castigated General Gowon's rule, which he said "had become too insensitive to the true feelings of the people."

In a 15-minute speech in which he gave the reasons for Tuesday's military coup and announced new Governmentappointments, Brig. Mohammed said that Nigeria had been left to drift. "This situation, if not arrested, would inevitably have resulted in chaos and even bloodshed."

Giving an indication of deep-rooted army dissatisfaction with General Gowon's style of government, Brig. Mohammed declared that the "affairs of state, hitherto a collective responsibility, became characterised by lack of consultations, indecision, indiscipline and even neglect.

Disillusion

"Along with the general public, the feeling of disillusion was also evident among members of the armed forces whose administration was neglected but who, out of sheer loyalty to the nation and in the hope that there would be a change, continued to suffer in silence."

Accusing General Gowon of being "virtually inaccessible" to his advisers and of ignoring the advice given, the new Head of State said that the trend of events "was clearly incompatible with the philosophy and image of our corrective regime." He did not, however, indicate precise policies the new Government might adopt to alter this, merely saying that "a political programme would be announced in due course."

Many observers had been expecting Brig. Mohammed to announce the possible return of the Government to civilian hands, a promise which was made but not kept by Gen. Gowon.

However, in what was clearly intended to be a purge of the old administration, he announced the dismissal of all federal and state commissioners (ministers), the compulsory retirement of the most senior forces officers, including all chiefs of staff, and the appointment of new military men, mostly of the rank of Colonel, to be Governors of the 12 States.

He also announced a change in the structure of government, with a new Federal Council of States, and said that different panels would examine the suitability of congested Lagos as the federal capital and the propriety of creating additional States.

Brig. Mohammed declared that foreign nationals living in Nigeria would be protected, as would foreign investment. The Government would honour all obligations entered into by the previous Government, as well as continue support for the UN, the Commonwealth and the OAU

The figures of the controversial 1974 census, which gave the north numerical advantage over the south, would be scrapped, and the 1963 figures would be used for planning purposes. The Black Arts Festival, due in November, would be postponed.

Calm

It seems clear, both from his speech and from the general calm in Lagos and the states, that Brig. Mohammed's Government has the broad support of the armed forces. On the lists available last night, less tha na dozen officers excluding the state governors) have been retired, and the new leader's appointments to command positions in the three army divisions, as well as of the State Governors, suggest that this is to be a Government of the middle-to-higher ran kofficers, none above Brigadier.

It is not clear whether Brig. Mohammed intends to follow Gen. Gowon's practice of appointing civilians as ministers, and there is no indication yet whether he intends changes in the senior ranks of the Civil Service.

Reports from Lagos confirm Brig. Mohammed's assertion that the change has been entirely bloodles and that it has caused a minimum of disruption.

In Kampala, Gen. Gowon, gracefully accepting his deposition and pledging loyalty to the new Government, quote Shakespeare before making his exit from a Press conference. "All the world's a stage and all the men and women merely players: they have their exits and their entrances."

Pill no remedy for sunburn

SYLVASUN, a tablet rich in vitamin A, promoted with the claim that it helps prevent sunburn by "building up the skin's own natural resistance," should be withdrawn from sale on the grounds that it is ineffective, the Consumer's Association advises the Committee on Safety of Medicines.

THE LEX COLUMN

The real role of equity capital

There are four main arguments in favour of dividend controls. New equity issues have been an insignificant source of funds for longer than the controls have been imposed, so capital spending is not dependent on the well-being of the providers of equity capital. Dividend payments represent a dissipation of funds which would otherwise be used for investment. The stock market is an inefficient vehicle for allocating funds to companies. And when prices and wages are being controlled, social justice demands that the same should apply to dividends.

The Diamond report on the "Income from companies and its distribution" effectively destroys these arguments. It does this by demonstrating that although new share issues have supplied well under 5 per cent. of companies' new funds in recent years, the term "equity capital" covers retentions just as much as earnings, and both have the characteristics which enable them to serve as risk capital.

Retentions

Retentions may be regarded as deferred dividends or even compulsory rights issues—and they have provided 40 per cent. of companies' new funds in the period since 1950. Together with depreciation, the total amount of funds generated from internal sources rises to 76 per cent.

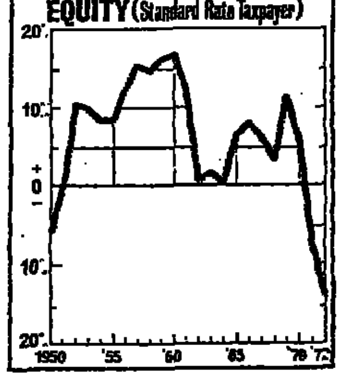
Moreover the role of equity capital may be interpreted in a qualitative as well as a quantitative manner. Any long term investment subject to fluctuating profitability requires some risk capital where a fixed return is not appropriate: in the private sector, this is provided by the shareholder, and it forms the basis for all other borrowing.

Diamond says that although there can be no precise notion of the ideal relationship between equity and debt, the rise in gearing during recent years has probably gone far enough. In 1950, the ratio of long term borrowings plus bank loans to shareholders' funds stood at 0.16. The figure had risen to 0.44 by 1970, and although it then fell back for a couple of years it is a safe bet that the ratio fairly whipped up in 1974.

Index fell 3.3 to 288.5

If equity capital provides the basis on which companies' entire financing is built, it follows that over the longer term the returns which it offers must be competitive with alternative investments. Here the report provides its most devastating figures. In the ten years to 1973, aggregate dividends rose in money terms at about one third of the rate of earned incomes and other forms of

REAL ANNUAL RETURNS TO EQUITY (Standard Rate Taxpayer)



investment income (including imputed rent), and in real terms fell by 20 per cent. As a proportion of total personal income, dividends dropped from 4 to 2.3 per cent.

Overall return

In addition, the report updates the work done nine years ago by Merrett and Sykes in an attempt to indicate the overall return—capital as well as income—which has accrued to shareholders. This assumes that an investment is made in an index each year in January and sold a year later: the results, adjusted for inflation and smoothed on to a 5-year moving average, are shown in the chart.

Over the period 1948-74, the average annual return for a standard rate taxpayer was 2.6 per cent. Between 1963-1974, the standard rate taxpayer had an annual return of minus 2.9 per cent., while anyone at the top marginal rate lost an annual 5.8 per cent.—made up of a 6.2 per cent. capital loss offset by 0.4 per cent. of dividends.

Of course the choice of the period is critical when making calculations of this sort. For instance, if 1971 is om[itted] the overall returns since [...] rise by around two points, [...] then this year's rally has [...] nowhere near to offsetting [the] impact of accelerating infla[tion]. de Zoete and Bevan's eq[uity] index at July 1 had falle[n] a third in real terms ove[r] months, and by two-thirds [from] its peak in 1969.

These figures provide [...] answer to the "social jus[tice"] argument. Another take[s the] form of a new analysis of share owners and dividen[d re]ceiving sectors. This show[s] the proportion of shares [held] directly by individuals de[clined] from 59 to 42 per cent. be[tween] 1963 and 1973. At the [same] date, 2.1m taxpayers [held] shares directly, but up to [11m] workers were member[s of] occupational pension sc[hemes] and 14m taxpayers ha[d life] assurance savings.

Obviously these cate[gories] overlap substantially. Ho[wever] half the direct recipients [of divi]dends and taxed interest [(from] loan stocks, bonds) had [an] income of less than £2,000 [...] no less than 45.9 per cent. [of the] total went to those who [were] already drawing a natio[nal in]surance retirement or w[idow's] pension.

The upper income br[acket] still claimed a disproport[ionate] share of total dividends: [the top] half per cent. of taxpay[ers re]ceived 10 per cent. of th[e total]. But taxation has a sig[nificant] levelling effect. The a[verage] gross receipts in the t[op] bracket reached £11,884 i[n] 1973—and that figure d[ropped] to £2,365 net. Under a p[rogres]sive tax system, any [...] system of dividend contr[ol has] a disproportionately harsh [effect] on shareholders in the [lower] income ranges and on oth[er basic] rate taxpayers—notably pension funds.

Responsibility

Diamond accepts the ne[ed for] competitive returns on [equity] investments. If the Gover[nment] rejects the message, it wil[l have] to take on the responsibi[lity for] channelling savers' mone[y into] industry itself: in the [long] term, there is no middle [way]. And if the Government a[ccepts] the report, it will have t[o con]sider not only the injust[ice of] dividend controls, but al[so] the other constraints on c[apital] returns in the corporate [...]

Summit underlines East-West splits

BY MALCOLM RUTHERFORD HELSINKI, July 30.

THE SUMMIT meeting of the European Security Conference opened here to-day with smooth words about detente, but it was clear from the speeches that the fundamental divisions between Eastern and Western Europe remain as deep as ever.

The contrast could hardly have been starker than in the statements of Herr Helmut Schmidt, the West German Chancellor, and Herr Erich Honecker, the East German leader.

Herr Schmidt re-affirmed his Government's policy of "working for a state of peace in Europe in which the German nation will regain its unity through free self-determination."

Herr Honecker argued that the "decisive point" of the security conference was the recognition of the inviolability of existing European frontiers and hence, by implication, of the division of Germany.

The contracts were no less marked when both sides spoke of the East-West force reduction talks in Vienna, which now seem likely to become the main focus of East-West diplomacy in Europe.

Western leaders who spoke to-day, including Mr. Harold Wilson and Mr. Pierre Trudeau, the Canadian Prime Minister, repeatedly referred to "mutual and balanced force reductions" (MBFR). The words "mutual" and "balanced" were missing from the statements by Herr Honecker and Mr. Todor Zhivkov, the Bulgarian party leader, to-day's East European speakers.

The Eastern leaders also failed to make reference to the greater freedom of movement of people and ideas between East and West which, from the Western viewpoint, was one of the main aims of the conference and was repeatedly stressed in to-day's Western speeches.

Herr Honecker simply described the documents which are to be signed here on Friday as "a code for the application of the principles of peaceful co-existence between states with different social systems."

He also flatly contradicted the Western interpretation of the documents by insisting the code had been agreed "under international law." The West says they are not binding and do not have the force of a treaty.

In a phrase which will infuriate the Chinese, who have made no secret of their dislike of this conference, Mr. Zhivkov said its conclusion would give a push forward to settling major world problems including "establishing a system of collective security in Asia."

It is assumed he was acting as a stalking horse for the Soviet party leader, Mr. Brezhnev, who speaks to-morrow. The Chinese claim that the Russians will now turn to imposing their ideas on the Asian continent.

Bilateral meetings were held between President Ford and Mr. Brezhnev. Chancellor Schmidt made a point of seeing all the East European leaders, including two meetings with Herr Honecker.

President Ford, having breakfasted with Mr. Wilson, had more than two hours of talks with Mr. Brezhnev this morning. He said afterwards they had been "very constructive, very friendly and very businesslike."

The two men are understood to have made progress on some of the outstanding problems in the Strategic Arms Limitation Talks (SALT 2) and to have moved on to the Middle East where the word is of continuing diplomacy, but an Israeli-Egyptian agreement "within weeks, not days."

President Ford and Mr. Brezhnev will meet again on Saturday and it is being taken for granted that the Soviet leader will go to Washington in the autumn to sign the second SALT agreement.

The heads of government of the European Community meanwhile celebrated their progress to a joint foreign policy by holding a community summit over lunch.

Wilson opens summit Page 6

Job cuts at BSC endorsed by union

BY Lorelies Olslager, Labour Staff

LEADERS of Britain's biggest steel trade union, yesterday reluctantly endorsed the deal struck with the British Steel Corporation late on Tuesday night designed to reduce labour costs through selective dismissals and cuts in earnings.

The executive of the Iron and Steel Trades Confederation, which has some 70,000 members in BSC, gave its blessing to the deal because it realised the difficulties the industry is going through at the moment, according to Mr. Bill Sirs, the general secretary.

At the same time, he revealed that according to its chairman, BSC is sometimes unable to fulfil the orders it is receiving.

Mr. Sirs said in a statement: "One reason for this it appears, is the adverse effect of recent events on the morale of the workforce." As a result, customers were turning to imports which were losing thousands of British Steel workers their jobs.

Mr. Sirs, who led the union side in the negotiations with BSC on Tuesday, said after the executive meeting that the deal "will involve more hardship for our members," particularly the provision for suspension of the guaranteed working week at selected plants and the authority for BSC to dismiss people who have been with the corporation for less than 12 months.

Demoralised

There were moves on the executive to have these two provisions struck out of the agreement, but an amendment to that effect was defeated by three votes to 10.

Mr. Sirs acknowledged that the problem facing the unions now was to convince the rank and file membership to accept the deal. Both ISTC and the Corporation plan to circulate the workforce with a copy of the agreement and their explanation why it was necessary.

Resistance would vary from plant to plant, depending on how hard it would hit.

But in each works the unions and local management would be free to discuss which of the individual measures envisaged they should introduce and try to find the most palatable.

10,000 men

Mr. Sirs estimated that BSC would lose some 6,000 workers under the dismissal provisions. Moreover, the corporation had not replaced some 5,000 people who had left in recent months, so that over a 12-month period BSC would have shed more than 10,000 men.

BSC hopes that none of these jobs would ever have to be filled again even after the present recession is over. But the union will examine the situation for each plant once order books pick up again, Mr. Sirs said.

He also voiced the fear that at some plants the workforce was so demoralised that there would be wholesale demands for redundancies, leading to closure. This was something the union wanted to avoid.

Dealers to be cut, Page 8

Continued from Page 1

Court Line

the statements were made in good faith, however, and "there is no question of the statements being in any way untrue or reckless."

In his report Sir Alan says he finds it difficult to agree with Mr. Wedgwood Benn's contention that the statements included an appropriate amount of reservation. In fact, the very use of the argument by Mr. Wedgwood Benn that the statements needed a measure of reservation "seems to me indeed to imply recognition of the need for inclusion of a suitable qualification.

"This need was not, in my view, met."

He also says that the Government could not have had full reliance in the information available to it

"In the absence of a specific qualification of some kind, I am bound to conclude that the statements were liable to leave a misleading impression with the public."

He goes on to add that the inclusion of a qualification might have caused cancellations and the earlier collapse of Court Line. But he thinks that in fact most holidaymakers would have gone ahead in the clear knowledge that there was a risk involved. It would then have been difficult to find fault with the Government's actions.

Tory MPs were last night considering a censure motion on the former Industry Secretary, Mr. Wedgwood Benn.

● It has already been announced that payments to Court Line victims are about to be made initially from the bond moneys which tour operators are obliged to lodge.

Fifth Report of the Parliamentary Commissioner for Administration. Session 1974-1975 HMSO, 50p

Court Line Limited, Investigation under section 165 (b) of the Companies Act, 1948 Interim Report. HMSO, £2.90.

Continued from Page 1

Wealth still concentrated

on Inland Revenue figures, it shows that in 1973 the top 1 per cent. of the adult population owned over a quarter of total wealth—each owning net assets worth £44,030 or more, while more than a half was accounted for by the top 5 per cent.

Rising house values have also produced a sharp increase in the proportion of personal wealth held in the form of physical assets, from less than a third in 1960 to nearly a half in 1973. Houses account for a large proportion of wealth in the middle ranges.

The value of State pension rights, the report points out, is of major importance. Including this in the distribution of wealth has the effect of cutting the share of wealth held by the top 1 per cent. by a third; against this, the proportion held by the bottom 80 per cent. of the population more than doubles.

The distribution of income, the Commission says, has not shown any very pronounced changes since 1959, though there has again been a continuing decline in the share of the top 5 per cent. of earners and particularly the top 1 per cent.

In 1972-73, the top 10 per cent. of income recipients, with an income of £2,857 or more, had over a quarter of total income before tax. The bottom 20 per cent. with incomes of less than £644, had rather more than a twentieth. The top 1 per cent., with income of £6,236 or more before tax, accounted for 6.4 per cent. of the total.

While the tax system was virtually neutral in its impact, the "social wage" and receipt of various benefits had a major effect in redistributing income.

The companies report shows that in 1972-73, a tenth of the amount paid in dividends and interest went to the half per cent. of taxpayers with incomes over £20,000, who received an average of £11,884 each in income from this source.

It also shows, however, that half the recipients of dividends had income of under £2,000 a year, and took just under a fifth of total dividends and interest paid to individuals.

The report gives new information on the distribution of share ownership, pointing to a fall in the proportion held by individuals from 59 per cent. to 42 per cent., between 1963 and 1973, and a rise in the proportion held by insurance companies and pension funds.

The Commission has identified three main groups of individuals who benefit from dividends directly or indirectly: 2.1m. with direct holdings; up to 11m. members of occupational pension schemes and 2¼m. in receipt of pensions; and 14m. who save through life assurance.

The growth of dividends has lagged behind other kinds of income. Over the period 1963-73, aggregate dividends received by persons grew in money terms on average at about a third the rate of earned incomes and other forms of investment income.

In real terms, dividends fell by about 20 per cent. while other forms of income rose by amounts between 25 per cent. and 85 per cent.

Weather

U.K. TO-DAY

SOUTH-EAST England will be mainly dry with bright or sunny intervals, but much of England and Wales will be cloudy with rain in places. The North will be dry with sunny intervals.

London, S.E. England, Channel Isles

Bright or sunny intervals and dry. Wind light easterly. Max. 24C (75F).

E. Anglia, Central Southern England, the Midlands, S.W. England, S. Wales, Northern England

Rather cloudy with rain in places at first but brighter later. Wind light. Max. 21C (70F).

N. Wales, N.W. England, Isle of Man, N.E. England, Borders, Dundee and Aberdeen

Sunny intervals and mainly dry. Wind light. Max. 19C (66F).

West Scotland, Central Highlands, Moray Firth, Northern Ireland

Sunny spells and mainly dry. Wind variable and light. Max. 18C (64F).

N.E. Scotland, Orkney, Shetland

Sunny intervals and mainly dry. Max. 15C (59F).

Outlook: Dry with sunny periods in most districts, but some rain in Northern areas.

Lighting-up: London 21.22, Manchester 21.39, Glasgow 21.58, Belfast 21.59.

BUSINESS CENTRES

	Y'day mid-day	°C	°F		Y'day mid-day	°C	°F
Alexandria.	F	30	86	Luxembg.	S	28	82
Amstrdm.	F	26	79	Madrid	S	37	99
Athens	S	31	88	Manchstr.	C	22	72
Bahrain	S	35	95	Melbourne	F	19	66
Barcelona	S	28	82	Milan	F	27	81
Beirut	S	30	86	Montreal	S	24	75
Belfast	C	17	63	Moscow	S	25	77
Belgrade	F	27	81	Munich	S	24	75
Berlin	S	26	79	Newcastle	C	21	70
Birmghm.	F	25	77	New York	S	29	84
Bristol	F	25	77	Oslo	S	23	73
Brussels	S	27	81	Paris	S	30	86
Budapest	S	26	79	Perth	F	12	54
B. Aires	S	15	59	Prague	S	25	77
Cairo	S	36	97	Reykjavik	C	8	45
Cardiff	F	22	72	Rio de J'o	S	23	73
Cologne	S	28	82	Rome	S	27	81
Copnhagn.	C	21	70	Singapore	S	30	86
Dublin	C	16	61	Stockholm	S	26	79
Edinb'gh	C	18	64	Strasb'rg	S	28	82
Frankfurt	S	28	82	Sydney	F	21	70
Geneva	S	25	77	Tehran	S	35	95
Glasgow	F	17	63	Tel Aviv	F	29	84
Helsinki	S	23	73	Tokyo	S	33	91
H. Kong	S	31	88	Toronto	S	29	84
Jo'burg	S	19	66	Vienna	S	26	79
Lisbon	S	32	90	Warsaw	C	21	70
London	S	28	82	Zurich	S	24	75

HOLIDAY RESORTS

	Y'day mid-day	°C	°F		Y'day mid-day	°C	°F
Ajaccio	S	27	81	Istanbul	F	28	82
Algiers	S	32	90	Jersey	S	27	81
Biarritz	S	28	82	Las Plms.	F	24	75
Blackpool	C	16	61	Locarno	S	26	79
Bordeaux	S	33	91	Majorca	S	31	88
Boulogne	S	24	75	Malaga	S	29	84
Casablnca.	S	26	79	Malta	S	31	88
Cape Town	S	19	66	Nairobi	C	15	59
Corfu	S	28	82	Naples	F	27	81
Dubrovnik	S	27	81	Nice	S	28	82
Faro	C	30	86	Nicosia	S	29	84
Florence	T	27	81	Oporto	C	21	70
Funchal	S	24	75	Salzburg	S	25	77
Gibraltar	F	23	73	Tangier	F	32	90
Guernsey	S	23	73	Tenerife	S	20	68
Innsbruck	F	24	75	Tunis	S	33	91
Inverness	C	15	59	Valencia	S	30	86
I. of Man	C	16	61	Venice	F	29	84

S—Sunny. F—Fair. R—Rain. C—Cloudy. T—Thunder.

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هكذا من الأصل